

CONFERENCE COMMITTEE REPORTS

Conf. Com. Rep. 1 on S.B. No. 715

The purpose of this measure is to add the Executive Director of the Hawaii Community Development Authority and the Executive Director of the Hawaii Public Housing Authority to the Special Action Team on Affordable Rental Housing.

Your Committee on Conference finds that the Hawaii Community Development Authority has jurisdiction over areas conducive to the development of affordable rental housing, and the Hawaii Public Housing Authority provides affordable rental housing for low-income families and individuals. Because of the subject matter and mission of the respective agencies, your Committee on Conference further finds that the addition of the Executive Director of the Hawaii Community Development Authority and the Executive Director of the Hawaii Public Housing Authority would be valuable to the Special Action Team on Affordable Rental Housing.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 715, 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. 715, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Yamane, Luke and McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 2 on S.B. No. 194

The purpose of this measure is to authorize the Department of Health and Department of Education to accept the results of any tuberculosis blood test approved by the Food and Drug Administration and recommended by the Centers for Disease Control and Prevention for purposes of a certificate of tuberculosis examination and clearance to attend public school.

Your Committee on Conference finds that tuberculosis testing is a requirement for many people in the State, including children entering school, school personnel, personnel working with high risk populations, and students enrolling in higher education programs. The skin reaction tuberculosis test currently used by the Department of Health requires two visits to the doctor or medical practitioner administering the test, and can cause complications in some patients. Your Committee on Conference further finds that other tests that are approved by the Food and Drug Administration and recommended by the Centers for Disease Control and Prevention exist with fewer risks of complication.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that its intent is to not change current requirements or procedures regarding the use of chest x-rays; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 194, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 194, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Hashem, Har and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Har).

Conf. Com. Rep. 3 on H.B. No. 832

The purpose of this measure is to:

- (1) Clarify that a violation of the records, mediation, and arbitration requirements of sections 514B-154, 514B-161, and 514B-162, Hawaii Revised Statutes, by a condominium board of directors or its officers or members is a violation of fiduciary duty, but provides a safe harbor provision for a board member who votes for compliance or rescinds or withdraws the violating conduct;
- (2) Balance the right of association members to speak and participate in deliberations and discussions of a board, while ensuring that a board is able to complete its agenda in a timely manner;
- (3) Require the notice for board meetings to include a list of items expected to be on the meeting agenda; and
- (4) Require unapproved final drafts of the minutes of a board meeting to be available within 14 days after the meeting.

Your Committee on Conference has amended this measure by:

- (1) Stipulating that a violation of the mediation and arbitration requirements of sections 514B-161 and 514B-162, Hawaii Revised Statutes, by a condominium board of directors or its officers or members may constitute a violation of fiduciary duty;
- (2) Lengthening the timeframe within which unapproved final drafts of the minutes of a board meeting shall be made available from 14 to 30 days after the meeting;
- (3) Changing its effective date to July 1, 2017; 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. 832, 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. 832, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ihara and Kidani.

Managers on the part of the Senate.

Ayes, 2; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Kidani).

Representatives Takumi, Todd and Ward.

Managers on the part of the House.

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

Conf. Com. Rep. 4 on S.B. No. 514

The purpose of this measure is to:

- (1) Authorize pharmacists to administer the human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines to persons between eleven and seventeen years of age; and
- (2) Specify the requirements pharmacists must meet prior to administering the human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines.

Your Committee on Conference finds that the human papillomavirus is a very common virus, which is associated with multiple cancers, including anogenital cancer, oropharyngeal cancer, and genital warts. The Centers for Disease Control and Prevention and the American College of Obstetricians and Gynecologists recommend routine vaccination with the human papillomavirus vaccine for preteen boys and girls so they are protected prior to any exposure to the virus. However, recent data released by the Centers for Disease Control and Prevention shows that human papillomavirus vaccination rates trail behind other teen vaccines, in part because the two-part vaccination requires a booster to complete the vaccination series. Your Committee on Conference further finds that in addition to the human papillomavirus vaccine, three other vaccines, including the Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines, make up what is known as the "Adolescent Platform", a series of shots recommended for adolescents between the ages of eleven and twelve.

This measure enables pharmacists to administer the human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines to persons between eleven and seventeen years of age, which will expand access to these important vaccines and help reduce the incidence of infectious disease, including human papillomavirus and its associated risk of cancers.

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. 514, 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. 514, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ihara and Kidani.

Managers on the part of the Senate.

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

Representatives Belatti, Takumi, Har and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 5 on S.B. No. 609

The purpose of this measure is to require that peer reviews performed on public accounting firms are performed in accordance with the entirety of the Statements on Standards for Attestation Engagements adopted by the American Institute of Certified Public Accountants (AICPA).

Your Committee on Conference finds that the Board of Public Accountancy's Peer Review Program encompasses the framework and implementation guidelines of the peer review program of the AICPA. The Board has adopted the Statements on Standards for Attestation Engagements of the AICPA (AICPA Standards) as the benchmark for the evaluation and peer review of the provision of attestation services by Certified Public Accountants and Certified Public Accountant firms and requires all licensees under its jurisdiction to adhere to these AICPA Standards when performing engagements that require the provision of attestation services.

This measure deletes the specific reference to AT section 201 of the AICPA Standards to instead require that peer review procedures be subject to all of the AICPA Standards, which will enable the Board to make references to the pertinent sections of the AICPA Standards as needed.

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. 609, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 609, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 6 on S.B. No. 952

The purpose of this measure is to:

- (1) Provide the Insurance Commissioner with express prior approval authority over long-term care insurance rates; and
- (2) Make housekeeping amendments.

Your Committee on Conference finds that this measure clarifies that the Insurance Commissioner has express prior approval authority over long-term care insurance rates. This measure continues to ensure that consumers are not being charged excessive rates for long-term care insurance, while also maintaining a fair marketplace for insurers.

Your Committee on Conference has amended this measure by changing its effective date to January 1, 2018.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 952, 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. 952, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Cullen and Ward.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 7 on S.B. No. 1171

The purpose of this measure is to identify the circumstances in which the State has a compelling interest in the use and disclosure of de-identified protected health information under the Health Care Privacy Harmonization Act.

Your Committee on Conference finds that there are situations in which the State has a compelling interest in the use and disclosure of de-identified protected health information. Your Committee on Conference further finds that a compelling interest may arise for the use of de-identified protected health information in the areas of medical and economic research, patient protection, public safety, and the proper operation of medical and healthcare facilities.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1171, 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. 1171, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran and Nishihara.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Nishihara).

Representatives Belatti, San Buenaventura and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 8 on S.B. No. 1227

The purpose of this measure is to extend the repeal date, from 2017 until 2022, for the affirmation requirement and form that is filed by an attorney on behalf of a mortgagee who is seeking to foreclose on a residential property under a judicial foreclosure action.

Your Committee on Conference finds that, during the height of the foreclosure crisis, numerous distressed homeowners reported to government authorities, including the Office of Consumer Protection and the Hawaii Department of the Attorney General, that their financial institutions were initiating foreclosure actions without a sufficient basis. Among the more egregious claims were reports that financial institutions were engaging in robo-signing, in which banks supported foreclosure actions through the use of false affidavits signed by bank employees. In response, the Legislature enacted Act 182, Session Laws of Hawaii 2012, which, among other things,

requires a foreclosing party's attorney to affirm that the attorney has personally reviewed the documents and records associated with a foreclosure action, confirm the factual accuracy of the complaint allegations, and state that the attorney does not believe there are any false statements of fact or law and that the plaintiff has legal standing to bring the foreclosure action.

Your Committee on Conference further finds that although the frequency of robo-signing appears to have recently diminished, making permanent certain statutory safeguards, such as the attorney affirmation, will help deter such conduct from reoccurring in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Making permanent the affirmation requirement and form that is filed by an attorney on behalf of a mortgagee who is seeking to foreclose on a residential property under a judicial foreclosure action, rather than extending the repeal date for the attorney's affirmation requirement from 2017 to 2022;
- (2) Repealing the affirmation requirement of an attorney who files a complaint in a mortgage foreclosure action that would have taken effect on July 1, 2017;
- (3) Changing its effective date to June 30, 2017; 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. 1227, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1227, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran and Ruderman.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, San Buenaventura and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 9 on H.B. No. 192

The purpose of this measure is to:

- (1) Expand the definition of "association" under the Planned Community Associations law to include homeowners' associations; and
- (2) Clarify that, if a proxy is a standard proxy form authorized by an association, and the proxy is returned with no quorum or proxy designation box checked or more than one quorum or proxy designation box checked, the proxy shall be counted for quorum purposes only.

Your Committee on Conference has amended this measure by changing its effective date from July 1, 2112, to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 192, 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. 192, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Ohno, San Buenaventura and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 10 on H.B. No. 1498

The purpose of this measure is to:

- (1) Require a copy of any contract, written job description, and compensation between a condominium association and a person or entity retained by the association to manage the operation of the property to be made available to any unit owner while permitting certain personal information to be redacted from the contract copy;
- (2) Clarify that the removal or replacement of a director elected by a class of unit owners shall be by a majority of only the members of that class;
- (3) Specify that for an election in a mixed-use condominium project where directors are elected by different classes of owners, an association is permitted to cast a vote or votes allocated to any nonresidential unit owned by the association where those eligible to vote in the election are limited to owners of one or more nonresidential units, including the nonresidential unit owned by the association; and
- (4) Prohibit tenants from serving as board members of a condominium association.

Your Committee on Conference has amended this measure by:

- (1) Inserting a definition of “tenant” in Part III as that term is used with regard to service on a board of a condominium association; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1498, 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. 1498, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, San Buenaventura and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 11 on H.B. No. 1501

The purpose of this bill is to prevent nonviolent individuals from becoming involved with the criminal justice system, eliminate many collateral consequences that stem from drug paraphernalia arrests, and provide for the reinvestment of money into community needs, such as drug treatment programs, by reclassifying drug paraphernalia possession and delivery offenses from felonies to violations subject to a civil fine of no more than \$500.

Your Committee on Conference has amended this bill 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. 1501, 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. 1501, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, English and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (English).

Representatives Takayama, San Buenaventura, Creagan and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 12 on S.B. No. 773

The purpose of this measure is to:

- (1) Establish the industrial hemp special fund to be expended by the Department of Agriculture to carry out the purposes of the industrial hemp pilot program;
- (2) Allow applicants to the industrial hemp pilot program to apply for a license at any time during the year in which the applicant plans to grow industrial hemp;
- (3) Require each county to recognize the cultivation of industrial hemp for the purposes of the pilot program as an agricultural product, use, and activity;
- (4) Specify that any agricultural land used for cultivation of industrial hemp for the purposes of the pilot program shall qualify for the minimum dedication period and be assessed at the lowest percentage of fair market value;
- (5) Limit the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district; and
- (6) Amend the physical facility requirements for pilot program licensees and repeal the requirement for a movement permit to transport plants or plant material.

Your Committee on Conference finds that Act 228, Session Laws of Hawaii 2016, established the industrial hemp pilot program to allow the cultivation of industrial hemp and distribution of its seed in Hawaii through limited activities by licensee-agents of the Board of Agriculture for purposes of agricultural or academic research. To ensure successful implementation, further amendments to state law need to be made.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established the industrial hemp special fund to be expended by the Department of Agriculture to carry out the purposes of the industrial hemp pilot program;
- (2) Deleting the general fund appropriation for positions within the Department of Agriculture and program operations for the industrial hemp pilot program, because this appropriation is included in H.B. 100, H.D. 1, S.D. 1, C.D. 1, Regular Session of 2017, the General Appropriations Act of 2017;

- (3) Making it effective upon its 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. 773, 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. 773, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Creagan, Nakashima, Cullen, Ing and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ing).

Conf. Com. Rep. 13 on S.B. No. 1073

The purpose of this measure is to appropriate funds to the State Foundation on Culture and the Arts to support the artist fellowship program which awards fellowships to promising artists.

Your Committee on Conference finds that the artist fellowship program provides one-time fellowships to local individuals in the areas of visual and performing arts. The fellowships create recognition and financial support for the artists. Your Committee on Conference further finds that the artist fellowship program contributes greatly to Hawaii's rich cultural landscape.

Your Committee on Conference has amended this measure by:

- (1) Changing the source of the appropriation from the general revenues of the State of Hawaii to the works of art special fund established by section 103-8.5, Hawaii Revised Statutes; and
- (2) Inserting an appropriation amount of \$200,000 for fiscal year 2017-2018 for the State Foundation on Culture and the Arts artist fellowship program.

As affirmed by the record of votes of the managers of your Committee 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. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1073, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Tokioka and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 14 on S.B. No. 1074

The purpose of this measure is to appropriate funds to the State Foundation on Culture and the Arts to plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol.

Your Committee on Conference finds that the task force to plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol was established in 2016 for the purpose of planning activities and events for the celebration. The current Hawaii State Capitol located at 415 South Beretania Street, was dedicated on March 15, 1969. As such, the festivities will take place from March 15, 2018, through March 15, 2019. Your Committee on Conference further finds that the funds appropriated will help the task force to coordinate and oversee the celebration.

Your Committee on Conference has amended this measure by:

- (1) Changing the source of the appropriation from the general revenues of the State of Hawaii to the works of art special fund established by section 103-8.5, Hawaii Revised Statutes; and
- (2) Inserting an appropriation amount of \$100,000 for fiscal year 2017-2018 for the State Foundation on Culture and the Arts to help plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol.

As affirmed by the record of votes of the managers of your Committee 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. 1, 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. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Tokioka and McDermott.
Managers on the part of the House.

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

Conf. Com. Rep. 15 on S.B. No. 584

The purpose of this measure is to allow an extended or hanai family member to act as a co-mortgagor in assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii Housing Finance and Development Corporation.

Your Committee on Conference finds that the Hawaii Housing Finance and Development Corporation is tasked with developing and financing low- and moderate-income housing projects and administering homeownership programs, including the provision of mortgages for affordable housing units to qualified residents. Some affordable units may still be unaffordable to first-time buyers without financial assistance from family. For residents of Hawaii, “family” frequently extends to cousins, uncles, aunts, step-parents, and “hanai” family members who may not fall within the definition of “family” used by the Hawaii Housing Finance and Development Corporation, but who may still have the financial capacity and willingness to assist buyers with the down payment or qualification for a mortgage. By allowing extended or hanai family members to act as a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit, more of the State’s residents may qualify to purchase affordable housing.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 584, 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. 584, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Baker and Harimoto.

Managers on the part of the Senate.

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

Representatives Brower, Takumi and McDermott.

Managers on the part of the House.

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

Conf. Com. Rep. 16 on S.B. No. 376

The purpose of this measure is to repeal chapter 269, part VIII, Hawaii Revised Statutes, relating to the interisland transmission system.

Your Committee on Conference finds that in 2012, the Legislature established a regulatory structure under which interisland undersea transmission cables could be developed, financed, and constructed. However, the current priorities of the Legislature and the electric utility companies do not include an interisland transmission system. Your Committee on Conference acknowledges that there is an existing regulatory proceeding regarding the issue that is intended to solicit information and evaluate whether an undersea transmission cable may be in the public interest. Nevertheless, your Committee on Conference finds that it is more appropriate to remove references to the interisland transmission system from state law until an agreement on such a system can be reached.

Your Committee on Conference has amended this measure by:

- (1) Making a conforming amendment to remove a reference to cable surcharges from section 23-74, Hawaii Revised Statutes;
- (2) Making it effective upon its 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. 376, 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. 376, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Inouye and Chang.

Managers on the part of the Senate.

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

Representatives Lee, Takumi, Quinlan, Say and Tupola.

Managers on the part of the House.

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

Conf. Com. Rep. 17 on S.B. No. 984

The purpose of this measure is to amend the definition of “physician” under the workers’ compensation law to include an advanced practice registered nurse.

Your Committee on Conference finds that section 323-3, Hawaii Revised Statutes, requires each hospital within the State to allow advanced practice registered nurses to practice within the full scope of their practice, including as primary care providers. Your Committee on Conference also finds that advanced practice registered nurses are recognized as participating primary health care providers for insurance purposes under the State’s insurance code. However, Hawaii’s workers’ compensation law omits advanced practice registered nurses from the definition of physician. Amending this definition is necessary to authorize increased participation by advanced practice registered nurses and recognize appropriately trained advanced practice registered nurses as primary care providers under workers’ compensation to enable improved access to health care services, expedite the processing of paperwork, and provide optimal care at the initial point of access for injured workers, especially in rural and underserved areas.

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. 984, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 984, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Baker and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Holt, Takumi, Yamashita and Matsumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 18 on S.B. No. 724

The purpose of this measure is to require the Department of Budget and Finance to report certain data on non-discretionary costs.

Specifically, this measure requires the Department of Budget and Finance to annually report information and financial ratios based upon the following non-discretionary general fund costs:

- (1) Debt service payments for general obligation bonds;
- (2) Medicaid service costs; and
- (3) Employer contributions for pension, retirement, and health benefits for state employees and retirees.

Your Committee on Conference finds that requiring the Department of Budget and Finance to submit a one-time report prior to the 2019 Regular Session would assist the Legislature in monitoring future financial liabilities for the 2018-2019 and 2019-2020 fiscal years and determining whether additional reports would provide meaningful information for future state budgets.

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

- (1) Replacing the annual report with a one-time report, to be submitted prior to the 2019 Regular Session, on the various non-discretionary costs and related ratios for the 2018-2019 and 2019-2020 fiscal years;
- (2) Setting forth the reporting requirements within the Session Laws of Hawaii rather than within the Hawaii Revised Statutes;
- (3) Requiring the Department of Budget and Finance to issue a recommendation on whether the information required by this Act should be provided annually; and
- (4) Changing the effective date to July 1, 2018.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 724, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 724, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 19 on S.B. No. 941

The purpose and intent of this measure is to expressly allow Automated Clearing House transactions that debit state treasury bank accounts, if authorized by the Director of Finance.

Your Committee on Conference finds that specifically including Automated Clearing House transactions as electronic funds transfers for the purpose of debiting state treasury bank accounts in financial institutions will increase the efficiency of state agencies in making bank deposits.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 941, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 941, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.

Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 20 on H.B. No. 89

The purpose of this measure is to preserve access to health care for Medicaid recipients by:

- (1) Extending the Hospital Sustainability Program for two years and updating statutory references accordingly;
- (2) Clarifying that the rate of the outpatient hospital sustainability fee shall not exceed three percent of net outpatient hospital service revenue;
- (3) Allowing the Department of Human Services (DHS) to exclude any facility from the hospital sustainability fee on outpatient care services if its exclusion is required to meet federal standards of approval; and
- (4) Appropriating funds out of the Hospital Sustainability Program Special Fund for Fiscal Year 2017-2018 and Fiscal Year 2018-2019.

Your Committee on Conference has amended this measure by:

- (1) Increasing the maximum rate of inpatient and outpatient hospital sustainability fees to three and one-half percent; and
- (2) Changing the appropriation amount from \$65,000,000 to \$70,000,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 89, 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. 89, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 21 on H.B. No. 239

The purpose of this bill is to provide clarity on voting by proxy at condominium association meetings by clarifying that standard proxy forms authorized by an association shall be counted for quorum purposes only if the form is returned with no box relating to the giving of a proxy checked or more than one such box checked.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 239, 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. 239, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ohno, Takumi and Ward.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 22 on H.B. No. 1588

The purpose of this measure is to promote fiscally responsible funding of repair and maintenance projects in the State by:

- (1) Prohibiting the issuance of general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than ten years from the date the asset was first placed into service; and
- (2) Requiring the Director of Finance to set a maturity date of not more than ten years when issuing general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of ten years or more from the date the asset was first placed into service.

Your Committee on Conference has amended this measure by:

- (1) Prohibiting the issuance of general obligation bonds to finance the repair and maintenance of a capital asset where the repair or maintenance costs incurred add value to and prolong the life of the asset for a period of less than ten years; and
- (2) Requiring the Director of Finance to set a maturity date of not more than ten years when issuing general obligation bonds to finance the repair and maintenance of a capital asset where the repair or maintenance costs incurred add value to and prolong the life of the asset for a period of ten years or more.

As affirmed by the record of votes of the managers 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. 1588, 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. 1588, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Yamashita, Choy and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 23 on H.B. No. 1246

The purpose of this bill is to provide an additional option to help alleviate prison overcrowding while addressing the need for public safety by authorizing the Department of Public Safety to use electronic monitoring and surveillance as a standalone alternative to incarceration.

Your Committee on Conference has amended this bill by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1246, 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. 1246, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takayama, Nishimoto, LoPresti, Gates and Ward.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 24 on H.B. No. 845

The purpose of this bill is to assist inmates in obtaining the documents and identification cards necessary for successful reentry into society. Specifically, this bill:

- (1) Requires the Department of Public Safety, in collaboration with various agencies and upon request of the inmates, to issue civil identification cards to inmates and to assist inmates in obtaining the inmates' birth certificate, social security card, and other relevant identification necessary for successful reentry into society; and
- (2) Requires the Department of Public Safety to initiate the process of assisting inmates released to work furlough, extended furlough, or community placement programs at least ninety days prior to the inmates' release.

Your Committee on Conference has amended this bill by:

- (1) Changing the submittal date of the annual report to the Legislature to no later than twenty days prior to the convening of each regular session, starting with the regular session of 2019;
- (2) Appropriating \$25,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the Department of Public Safety, in collaboration with various agencies, to issue civil identification cards, in accordance with part XVI of chapter 286, Hawaii Revised Statutes, to inmates who have one year or less remaining on their prison sentence and to assist the inmates in obtaining their birth certificate, social security card, and any other relevant identification documents necessary for the inmates to transition into the workforce, access social services, and secure housing; and
- (3) Changing its effective date to January 1, 2018.

As affirmed by the record of votes of the managers 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. 845, 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. 845, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Keith-Agaran and Shimabukuro.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Keith-Agaran).

Representatives Takayama, San Buenaventura, Gates, Creagan and Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 25 on H.B. No. 1129

The purpose of this bill is to promote appropriate standards of consistency, transparency, and fairness within the Department of Public Safety by formally establishing policies and procedures for special duty assignment of deputy sheriffs.

Specifically, this bill requires the Department of Public Safety to:

- (1) Adopt policies and procedures to govern the performance of special duty by deputy sheriffs;
- (2) Establish a compensation schedule for law enforcement services provided by deputy sheriffs performing special duty; and
- (3) Report to the Legislature on policies and procedures, amounts paid for and compensation received by deputy sheriffs performing special duty to determine whether this Act should be extended beyond its repeal date of June 30, 2018.

Your Committee on Conference has amended this bill 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. 1129, 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. 1129, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takayama, LoPresti, Gates and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 26 on H.B. No. 1130

The purpose of this bill is to provide clarity in the employment practices law to enable the Department of Public Safety to administer lie detector and psychological tests to determine the suitability of candidates for employment with the Department.

Your Committee on Conference has amended this bill 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. 1130, 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. 1130, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takayama, San Buenaventura, LoPresti and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (LoPresti).

Conf. Com. Rep. 27 on H.B. No. 655

The purpose of this measure is to direct the Department of Land and Natural Resources to assist and collaborate with, including by providing supplemental funding to, the National Wildlife Research Center of the U.S. Department of Agriculture to research the negative impacts of the rose-ringed parakeet on Kauai and develop and implement a control plan to reduce those negative impacts. This measure also appropriates funds for this purpose.

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

- (1) Inserting an appropriation amount of \$75,000;
- (2) Making the appropriation for only fiscal year 2017-2018;
- (3) Changing the effective date to July 1, 2017; 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. 655, 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. 655, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 28 on S.B. No. 948

The purpose of this measure is to authorize the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to employ or retain an attorney to represent or provide legal services for the Division or State on any matter rather than only mortgage loan recovery fund actions.

Your Committee on Conference finds that existing law allows the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to employ and retain attorneys only for actions involving the mortgage loan recovery fund. However, a majority of the Division's need for attorney assistance is outside the scope of what the law permits. This measure will assist in increasing the Division's efficiency and streamlining its regulatory processes.

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. 948, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 948, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Baker and Riviere.

Managers on the part of the Senate.

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

Representatives Ohno, Holt, Keohokalole and Ward.

Managers on the part of the House.

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

Conf. Com. Rep. 29 on S.B. No. 992

The purpose of this measure is to clarify that the Department of Land and Natural Resources (DLNR) may assume immediate control of:

- (1) A vessel that is grounded on state submerged land, a shoreline, or a coral reef, or in imminent danger of breaking up, if the vessel cannot be removed by the owner within twenty-four hours of grounding; and
- (2) A vessel not in imminent danger of breaking up that is grounded on a sand beach, sandbar, or mudflat that is not removed by the owner in a manner that is reasonably safe within seventy-two hours of the owner or owner's representative receiving notice from DLNR;

provided that the foregoing shall not apply if the owner or owner's representative has received notice from DLNR and has commenced effective salvage operations.

Your Committee on Conference finds that DLNR is currently authorized to assume control of and remove a vessel that is grounded on a coral reef or in imminent danger of breaking up once the owner of the vessel has been given notice and an opportunity to safely remove the vessel in accordance with DLNR guidelines, pursuant to section 200-47.5, Hawaii Revised Statutes. However, your Committee on Conference notes that DLNR's current authority to assume control of and remove a vessel grounded on state submerged lands or a shoreline, or grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up, is unclear. Leaving vessels grounded in these locations can pose environmental and public safety risks. Clarifying and expanding DLNR's control of removing grounded vessels is necessary as a public safety measure that will significantly reduce avoidable impacts to Hawaii's nearshore and coastal environment.

Your Committee on Conference has amended this measure by inserting an effective date of September 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 992, 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. 992, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Rhoads, Thielen and Riviere.

Managers on the part of the Senate.

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

Representatives Ing, San Buenaventura, Gates and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 30 on S.B. No. 976

The purpose of this measure is to increase the Hawaii Emergency Planning and Community Right-to-Know Act, Tier II filing fee from \$100 to \$200.

Your Committee on Conference finds that Tier II filing fees provide preparedness resources to local emergency planning committees to conduct joint emergency planning response training, provide community outreach, purchase specialized equipment, and, in addition to reporting of hazardous substances, fund hazardous materials emergency preparedness activities. As operational and equipment costs have risen over the years, it is necessary to increase the fee to maintain the emergency preparedness and response capabilities of the local emergency planning committees statewide.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 976, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 976, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Takayama, Kobayashi and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 31 on H.B. No. 606

The purpose of this measure is to authorize the counties, through their employees or authorized agents, to enter private property to control or eradicate invasive species and pests.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 606, 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. 606, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Gabbard and Keith-Agaran.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Keith-Agaran).

Representatives Lee, San Buenaventura, Lowen and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 32 on H.B. No. 425

The purpose of this measure is to:

- (1) Make specified sections of Hawaii's Code of Ethics inapplicable to technology transfer activities sponsored by the University of Hawaii; provided that the activities comply with the regulatory framework and research compliance program and policies approved by the Board of Regents; and
- (2) Require the Board of Regents to submit a status report on its regulatory framework and research compliance program and technology transfer activities to the Legislature prior to the convening of each Regular Session.

Your Committee on Conference has amended this measure by:

- (1) Clarifying in the purpose and findings section that supporting the contributions of the University of Hawaii to the economic health and diversification of the State is a matter of concern to the Legislature; and
- (2) Amending the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 425, H.D. 1, S.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 425, H.D. 1, S.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kahele, Keith-Agaran and Kidani.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives McKelvey, Nishimoto, Hashem, Keohokalole and Matsumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 33 on H.B. No. 1135

The purpose of this bill is to:

- (1) Make permanent certain provisions of Act 139, Session Laws of Hawaii 2012, the Justice Reinvestment Initiative, relating to pretrial risk assessments, parole, and parole hearings;
- (2) Create standards and procedures for income-withholding for purposes of enforcing restitution orders;
- (3) Clarify the priority of income withholding orders;
- (4) Amend the definition of "debt" relating to the recovery of money owed to the State to include court-ordered restitution subject to civil enforcement;

- (5) Require that any bail posted by a defendant be applied toward payment of any court-ordered restitution in the same case; and
- (6) Extend victims' access to adult probation records to include access to payment compliance records.

Your Committee on Conference has amended this bill by:

- (1) Deleting the provisions that created standards and procedures for income-withholding for purposes of enforcing restitution orders and the priority of income withholding orders; 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 H.B. No. 1135, 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. 1135, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takayama, San Buenaventura, LoPresti and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (LoPresti).

Conf. Com. Rep. 34 on H.B. No. 2

The purpose of this measure is to provide affordable housing for farm workers by authorizing the construction of tiny homes of less than 500 square feet for farm workers in agricultural districts in a county with a population of more than 180,000 but less than 250,000.

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

- (1) Authorizing the county council of a county in which tiny homes are located to adopt ordinances to oversee the tiny homes;
- (2) Requiring that all tiny homes be removed from a property when that property is no longer in agricultural use;
- (3) Changing its effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee.

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

Representatives Creagan, San Buenaventura, Evans and Thielen.
Managers on the part of the House.
Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, none.

Conf. Com. Rep. 35 on H.B. No. 1516

The purpose of this measure is to protect the welfare of pet and equine animals by:

- (1) Permitting duly incorporated humane societies and duly incorporated societies for the prevention of cruelty to animals to petition in court for full custody of an impounded pet animal or equine animal prior to the filing of certain criminal charges against the owner or custodian of the pet animal or equine animal;
- (2) Allowing a pet animal or equine animal to be destroyed by the petitioner prior to final disposition of certain criminal charges if the pet animal or equine animal is a danger to itself or others; and
- (3) Specifying that an acquittal or dismissal in a criminal proceeding does not preclude civil proceedings under animal cruelty offenses.

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

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1516, 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. 1516, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Gabbard and Rhoads.
Managers on the part of the Senate.

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

Representatives Creagan, Nishimoto, Gates and Thielen.
Managers on the part of the House.

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

Conf. Com. Rep. 36 on H.B. No. 916

The purpose of this measure is to appropriate funds to the Department of Health, to be expended in coordination with the John A. Burns School of Medicine of the University of Hawaii at Manoa, for the health care provider loan repayment program.

Your Committee on Conference has amended this measure by:

- (1) Making a technical amendment to correctly identify the health care provider loan repayment program;
- (2) Specifying that psychologists, as well as physicians, physician assistants, and nurse practitioners may be eligible for loan repayments through the program;
- (3) Inserting an appropriation amount of \$250,000; and
- (4) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 916, 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. 916, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Kahele, English, Ruderman and Taniguchi.
Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Kobayashi and Tupola.
Managers on the part of the House.

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

Conf. Com. Rep. 37 on H.B. No. 558

The purpose of this measure is to repeal an obsolete statutory requirement that United States citizens and nationals submit tuberculosis test results to the Department of Health upon returning to the State after travel abroad to locations with a high occurrence of infectious and communicable disease.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 558, 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. 558, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ihara and Nishihara.
Managers on the part of the Senate.

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

Representatives Belatti, Kobayashi and Tupola.
Managers on the part of the House.

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

Conf. Com. Rep. 38 on H.B. No. 1444

The purpose of this measure is to require pharmacy benefit managers to register with the Insurance Commissioner as a first step toward regulating the pharmacy benefit management industry so as to provide transparency and ensure adequate consumer protection for purchasers and consumers of prescription drugs in the State.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that health maintenance organizations that own or manage their own pharmacies are not required to register as pharmacy benefit managers; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1444, 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. 1444, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Taniguchi and Kidani.
Managers on the part of the Senate.

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

Representatives Belatti, Takumi, Kobayashi, Morikawa and Tupola.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 39 on H.B. No. 561

The purpose of this measure is to promote patient safety by statutorily establishing notice and qualification requirements for dentists who administer general anesthesia, deep sedation, or moderate (conscious) sedation in the course of practicing dentistry.

Specifically, this measure:

- (1) Requires posting in every dental office in which general anesthesia, deep sedation, or moderate sedation is administered of contact information for the state Regulated Industries Complaints Office so that patients may verify dentists' licensure and authorization status and complaints history or file a complaint against the dentist;
- (2) Specifies education, training, staffing, facility, and protocol requirements for dentists who administer general anesthesia, deep sedation, or moderate sedation; and
- (3) Requires the Board of Dental Examiners to conduct an on-site inspection of the facilities, equipment, and personnel of licensed dentists as a condition of obtaining an authorization or permit to administer general anesthesia, deep sedation, or moderate sedation.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2017; and
- (2) Making a technical, nonsubstantive amendment for the purpose of 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. 561, 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. 561, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Takumi and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 40 on H.B. No. 852

The purpose of this measure is to:

- (1) Authorize the State Ethics Commission to post on its website for public inspection, the names of legislators, delegates to the constitutional convention, or certain employees who fail to file their financial disclosure statements by the statutory deadline;
- (2) Allow the State Ethics Commission to use in-person service, electronic mail, or first-class mail to notify legislators, delegates to the constitutional convention, or certain employees who fail to timely file their financial disclosure statements; and
- (3) Increase the administrative fine and late filing penalty fee for the failure to timely file financial disclosure statements.

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. 852, 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. 852, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 41 on S.B. No. 895

The purpose of this measure is to:

- (1) Establish the offense of criminal trespass onto state lands to prohibit a person from entering or remaining unlawfully in or upon any improved state land, or in or upon any state land on or under any highway, subject to certain conditions and exemptions;
- (2) Amend the offense of criminal trespass in the second degree by clarifying the signage posting requirements that provide notice to a person entering or remaining unlawfully on agricultural lands or unimproved or unused lands without permission and to a

person entering or remaining unlawfully in or upon the premises of any public housing project or state low-income housing project, subject to certain conditions;

- (3) Require the Department of the Attorney General to submit a written report to the Legislature prior to the Regular Sessions of 2018, 2019, and 2020, regarding the extent to which the criminal trespassing laws have been utilized; and
- (4) Clarify that this measure does not affect Native Hawaiian traditional and customary rights as set forth in the Hawaii State Constitution.

Your Committee on Conference finds that it is unclear whether existing criminal trespass laws apply to improved state lands, state land on or under any highway, or unfenced, unenclosed, or unsecured agricultural lands owned by the State. This measure addresses the application of criminal trespass laws with respect to state lands to provide a stronger and clearer deterrent to illegal activity.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the signs posted along the boundary lines that provide notice to the public regarding trespassing or property closure hours shall be placed at reasonable intervals no less than three signs to a mile along a boundary line of the property;
- (2) Prohibiting a conviction of the offense of criminal trespass onto state lands from being used to establish a felony conviction of the offense of habitual property crime under section 708-803, Hawaii Revised Statutes;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee 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. 2, 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. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Gabbard and Rhoads.

Managers on the part of the Senate.

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

Representatives Yamane, Nishimoto and McDermott.

Managers on the part of the House.

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

Conf. Com. Rep. 42 on S.B. No. 119

The purpose of this measure is to:

- (1) Require landlords to disclose in writing the tenant's ability to establish a new due date for rent payment if the tenant receives public assistance; and
- (2) Establish a cap of ten percent on late rent payment fees, applicable to all new rental agreements and rental agreement renewals entered into on or after the effective date of this measure.

Your Committee on Conference finds that existing law does not set limitations on the amount of late fees that a landlord may charge a tenant, which has resulted in a wide variance in amounts charged and has led to outrageous abuses. Although this measure caps any late charges that may be provided in a rental agreement at ten percent, your Committee on Conference finds that an eight percent cap is more appropriate. An amendment to this measure is therefore necessary.

Your Committee on Conference further finds that existing law requires a landlord to honor a tenant's request to establish a new due date if the tenant is receiving public assistance. This measure requires this right to be disclosed in writing to all tenants. However, your Committee on Conference notes that, rather than requiring all landlords to disclose this requirement to all tenants, a more appropriate approach is to ensure that providers of rental assistance develop a form that can be provided to recipients of public assistance.

Accordingly, your Committee on Conference requests that the Office of Consumer Protection, Real Estate Commission, and public housing entities, including but not limited to the Hawaii Public Housing Authority, collaborate to develop a form or informational brochure that can be provided to tenants who receive public assistance, and which informs such tenants of their rights, including that a tenant receiving public assistance has the ability to move the due date to a period after which the tenant receives a public assistance payment.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have required a landlord to disclose in writing a tenant's ability to establish a new due date for rent payment if the tenant receives public assistance;
- (2) Establishing a cap of eight percent, rather than ten percent, on late rent payment fees; and
- (3) Inserting an effective date of November 1, 2017.

Finally, your Committee on Conference notes that, after this amended measure goes into effect, the Office of Consumer Protection is requested to provide the Legislature with feedback regarding the cap on late rent payment fees established by this amended measure, including whether this cap has impacted the types of complaints regarding late fees received by the Office of Consumer Protection.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 119, 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. 119, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Fukumoto, Say and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Fukumoto).

Conf. Com. Rep. 43 on S.B. No. 611

The purpose of this measure is to extend by ten years the June 30, 2017, sunset date of Act 83, Session Laws of Hawaii 2012, which prohibits a county from requiring the installation of automatic fire sprinklers or an automatic fire sprinkler system in detached one- or two-family dwelling units that do not require access road or water supply variances and non-residential agricultural and aquacultural buildings and structures located outside an urban area.

Your Committee on Conference finds that placing undue burdens on property owners in the State does not promote the public welfare. Retrofitting or installing automatic fire sprinklers in certain structures can be difficult and costly. Moreover, requiring owners or builders to install automatic fire sprinklers would likely cause rents and the costs of homes to rise. Given the untenable affordable housing shortage across the State, county action requiring the installation of automatic fire sprinklers could have devastating effects. Therefore, extending the June 30, 2017, sunset date of Act 83, Session Laws of Hawaii 2012, for ten years is necessary to continue the prohibition against counties requiring owners of detached one- or two-family dwelling units used only for residential purposes or non-residential agricultural and aquacultural structures located outside an urban area to retrofit or install automatic fire sprinklers.

Your Committee on Conference has amended this measure by changing the effective date to June 29, 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. 611, 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. 611, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 44 on S.B. No. 865

The purpose of this measure is to:

- (1) Require any person applying for a license as an electrical contractor, except a pole and line contractor or high voltage electrical contractor, or electronic systems contractor to also possess either an underlying trade license or an electrical engineering degree; and
- (2) Provide an exemption for public utilities and community antennae television companies.

Your Committee on Conference finds that this measure was intended to address concerns regarding a potential loophole in existing law that may enable certain sole proprietors, who have applied for electrical contractor licenses but do not possess a journey worker electrician trade license or have an electrical engineering background, to perform or supervise electrical field work on the job site. This measure therefore requires any person applying for a license as an electrical contractor, except a pole and line contractor or high voltage electrical contractor, or electronic systems contractor to possess a trade license or an electrical engineering degree from an accredited college.

However, your Committee on Conference understands the concerns raised by the Contractors License Board (Board) and the Department of Commerce and Consumer Affairs (Department) that this measure places an unfair burden on an applicant's eligibility for licensure in the C-13 (electrical contractor) or C-15 (electronic systems contractor) classifications, and may have an adverse effect on current C-13 or C-15 licensees who do not have an underlying trade license or electrical engineering degree. According to the Department and the Board, none of the more than forty contractor classifications requires an applicant to have a separate underlying trade license or educational degree. Your Committee on Conference notes that this is because there is a difference between being qualified to contract for certain types of contracting work and actually performing such contracting work.

Your Committee on Conference concludes that amendments to this measure are necessary to clarify when licensed individuals may contract for certain types of contracting work and ensure that any persons performing such work are appropriately licensed to do so, in a manner that does not overly burden or disadvantage otherwise qualified applicants and licensees.

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

- (1) Permitting persons licensed as an electrical or plumbing contractor to enter into contracts to perform electrical or plumbing work, respectively; provided that if a contractor's responsible managing employee, which includes a sole proprietor, is not

licensed as an electrician or plumber, as applicable, then the contractor shall employ individuals who are licensed as an electrician or plumber to actually perform the electrical or plumbing work;

- (2) Clarifying that employees of a community antennae television company and employees of a public utility within the State are exempt while employed and acting within the scope of their employment;
- (3) Deleting language that would have required any person applying for a license as an electrical contractor, except a pole and line contractor or high voltage electrical contractor, or electronic systems contractor to also possess either an underlying trade license or an electrical engineering degree from an accredited college;
- (4) Changing its effective date to July 1, 2017;
- (5) Updating the purpose section to reflect its amended purpose; 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. 865, 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. 865, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 45 on S.B. No. 786

The purpose of this measure is to replace all references to “medical marijuana” and like terms with references to “medical cannabis” and like terms in state statutes and administrative rules and Department of Health documents, letterhead, websites, and other items.

Your Committee on Conference finds that the term “marijuana” originated as a slang term to describe the genus of plants that is scientifically known as cannabis. However, your Committee on Conference finds that the term “cannabis” is a more accurate and appropriate term to describe a plant that has been legalized for medicinal use in the State. Your Committee on Conference recognizes that implementation of this measure requires resources and time, and that the Department of Health’s current priority is to open dispensaries and laboratories so that patients have access to medical cannabis. It is the intent of your Committee on Conference that patients in Hawaii have access to medical cannabis and that this measure be implemented by the Department in a feasible manner.

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. 786, 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. 786, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Nishimoto and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 46 on S.B. No. 369

The purpose of this measure is to prohibit condominium associations, boards of directors, managing agents, resident managers, condominium owners, and persons acting on behalf of associations or condominium owners from retaliating or discriminating against a condominium owner, board member, or association employee who files a complaint; acts in furtherance of a complaint, report, or investigation of an alleged violation of the State’s condominium laws or a condominium’s governing documents; or exercises or attempts to exercise any right as a condominium owner.

Your Committee on Conference finds that although many condominium owners are comfortable raising condominium-related complaints or concerns to their association, its board, a managing agent, or a resident manager, this experience is not universal. Furthermore, condominium owners, minority members of a condominium board, or association employees who are not comfortable bringing up complaints or concerns may fail to do so because of a fear of retaliation. Accordingly, this measure strengthens protections by prohibiting condominium associations, boards, managing agents, resident managers, other owners, and persons acting on behalf of an association or condominium owner from retaliating against a condominium owner, board member, or association employee who files a complaint, acts in furtherance of a complaint, report, or investigation of an alleged violation, or exercises or attempts to exercise any right as a condominium owner.

Your Committee on Conference has amended this measure by:

- (1) Removing unnecessary language that would have added a new section in chapter 514A, Hawaii Revised Statutes;

- (2) Deleting the word “discriminate”, as the focus of this measure is on prohibiting retaliation;
- (3) Extending the protections against retaliation to managing agents and resident managers;
- (4) Inserting a definition of “retaliate” and deleting the definition for “retaliation”;
- (5) Changing its effective date to July 1, 2017; 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. 369, 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. 369, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, San Buenaventura and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 47 on S.B. No. 513

The purpose of this measure is to:

- (1) Authorize pharmacists to prescribe and dispense self-administered hormonal contraceptive supplies to patients, regardless of a previous prescription from an authorized prescriber; and
- (2) Specify the requirements pharmacists must meet prior to prescribing and dispensing contraceptive supplies.

Your Committee on Conference finds that many reproductive health experts have long sought to make prescription contraceptives more readily accessible. Research indicates women are more likely to use prescription contraceptives and less likely to have unintended pregnancies when barriers are lifted to contraceptive access.

Your Committee on Conference also finds that pharmacists are in a unique position to serve as accessible health care providers when they are able to practice at the height of their profession. Furthermore, all United States accredited colleges of pharmacy prepare student pharmacists in courses related to pharmacology and therapeutic practice, including courses in contraceptive and hormonal pharmacology, reproductive physiology, and women’s health. Pharmacists are also educated on medication assessment and therapeutic recommendations and receive practical experience via clinical rotations. This measure authorizes pharmacists to prescribe and dispense self-administered hormonal contraceptive supplies to patients, provided certain requirements are met, which will increase access to prescription contraceptive supplies and decrease barriers regarding reproductive health care.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that pharmacists shall be eligible for reimbursement under the Insurance Code, hospital or medical service plan contracts issued by mutual benefit societies, and policies, contracts, plans, or agreements issued by health maintenance organizations for prescribing and dispensing contraceptive supplies;
- (2) Changing its effective date to July 1, 2017; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Finally, your Committee on Conference notes that the Insurance Commissioner has indicated to your Committee on Conference that the Commissioner will be working on appropriate carve out language, to be addressed during the next legislative session, to ensure that each time the scope of a regulated profession that receives compensation from health insurers is expanded, the Legislature does not also have to make a corresponding amendment to the relevant insurance statutes to guarantee payment for that expansion.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 513, 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. 513, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Takumi, Ito and Matsumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 48 on S.B. No. 505

The purpose of this measure is to reduce addiction, overdose, and death related to the use of opioids by:

- (1) Requiring execution of an informed consent process agreement between a patient and prescriber of opioids in circumstances that carry an elevated risk of creating dependency;

- (2) Establishing quantitative limits on initial prescriptions for opioids and benzodiazepines, subject to specified exceptions; and
- (3) Clarifying the Board of Nursing's authority to enforce compliance with the Uniform Controlled Substances Act.

Your Committee on Conference finds that Hawaii and the nation are facing an epidemic related to prescription pain relieving drugs that are causing alarming rates of addiction, overdose, and death. According to the National Institute on Drug Abuse, opioids account for the greatest proportion of the prescription drug abuse problem. Furthermore, PEW Charitable Trusts reports that opioid pain relievers killed nearly 20,000 Americans in 2014. Nationwide, legislators and community groups are trying to curb this epidemic through public education and limiting liberal opioid prescribing practices.

Your Committee on Conference further finds that informed consent is an effective process between a provider and a patient that requires a specific medication or form of treatment such as safe opioid therapy. The informed consent process allows the patient to better understand the goals of treatment, potential benefits of treatment, realistic outcomes, potential risks, how to use the medication, and alternative treatment options. Your Committee on Conference recognizes that any approach to curb the opioid epidemic must balance the medically justified and necessary use of opioid pain medication with the reality of increased opioid misuse, abuse, and overdose.

Your Committee on Conference has amended this measure by:

- (1) Making the required adoption of written policies that include execution of informed consent process agreements effective July 1, 2018;
- (2) Requiring the Department of Health to post its template of an opioid therapy informed consent process agreement on the Department's website no later than December 31, 2017;
- (3) Deleting language that would have specified items that must be included in the template for the opioid therapy informed consent process agreement;
- (4) Inserting language to make violations of the mandatory opioid therapy informed consent process not subject to the penalty provisions of part IV of chapter 329, Hawaii Revised Statutes;
- (5) Inserting language to clarify that the limits on prescriptions for opioids and benzodiazepines apply to concurrent prescriptions for the two types of drugs;
- (6) Adding cancer to the list of conditions for which a concurrent prescription for opioids and benzodiazepines for longer than seven days is authorized when medically necessary for treatment;
- (7) Decreasing the frequency with which a practitioner who prescribes an initial concurrent prescription for opioids and benzodiazepines must consult with the patient in person after authorizing subsequent prescriptions through a telephone consultation;
- (8) Changing the effective date to July 1, 2017, and inserting a sunset date of June 30, 2023; 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. 505, 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. 505, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Takumi, Todd and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 49 on S.B. No. 997

The purpose of this measure is to update Hawaii's Uniform Controlled Substances Act by adding several new substances scheduled in the federal controlled substances law or emergency scheduled by the Department of Public Safety.

Your Committee on Conference finds that this measure makes Hawaii's Uniform Controlled Substances Act under chapter 329, Hawaii Revised Statutes, consistent with changes to federal law and emergency scheduling by the Department of Public Safety. Your Committee on Conference further finds that the updates made in this measure to Hawaii's Uniform Controlled Substances Act will benefit public health and safety.

Your Committee on Conference has amended this measure by:

- (1) Making it effective upon its 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. 997, 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. 997, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Nishimoto and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 50 on S.B. No. 488

This purpose of this measure is to allow the court to authorize an individual or entity other than a sheriff deputy or police officer to provide technical assistance to the deputy sheriff or police officer in examining an electronic device or storage media that is the subject of a search warrant.

Your Committee on Conference finds that existing law requires that a search warrant be executed by a law enforcement officer. However, there are many cases involving electronic evidence where law enforcement officers are unable to execute a search warrant without specialized assistance from non-law enforcement personnel. This measure facilitates more efficient and effective investigations and searches while allowing the judge or magistrate to set limitations on the manner in which the assistance is provided.

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. 488, 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. 488, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Taniguchi and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Nishimoto, San Buenaventura and McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 51 on H.B. No. 1098

The purpose of this measure is to provide the Department of Human Services (DHS) with sufficient flexibility to address the diverse needs of the State's homeless population as it relates to Act 234, Session Laws of Hawaii (SLH) 2016, which was established to address homelessness and includes a strategy to make the homeless shelter system more cost effective and appealing to homeless families and individuals.

Specifically, this measure:

- (1) Permits, rather than requires, emergency shelters to have partitioned space for each homeless family or individual, which provides separation from other homeless families or individuals in the shelter;
- (2) Delays by one year, the requirement that contracts between DHS and emergency or transitional shelter providers comply with Act 234, SLH 2016; and
- (3) Delays the effective date of Act 234, SLH 2016, by one year, to July 1, 2018, except for subsection (c) of section 6 of the Act, which requires DHS to work with provider agencies to implement the Act, and which took effect on July 1, 2016.

Your Committee on Conference has amended this measure by changing its effective date to 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 H.B. No. 1098, 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. 1098, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morikawa, San Buenaventura, Gates and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 52 on H.B. No. 674

The purpose of this measure is to:

- (1) Require all child care providers to obtain and maintain liability insurance as a condition of licensure, temporary permission, or registration to operate a child care facility, and disclose certain liability insurance coverage information to parents or guardians applying to have their child cared for at the facility;
- (2) Authorize the Department of Human Services (DHS) to suspend or revoke a license, temporary permit, or certificate of registration if the provider does not comply with the insurance coverage and disclosure requirements; and

- (3) Require DHS to submit a report to the Legislature prior to the Regular Session of 2018 on specified issues related to the liability insurance requirements established by this measure.

Your Committee on Conference believes that requiring child care providers to obtain and maintain liability insurance as a condition of operating a child care facility serves to strengthen minimum standards of child care as they relate to the health and safety of children. Enhanced child care licensing requirements and improved child care facility disclosure requirements will also aid in reducing risks associated with low-quality child care services and support parents and guardians in making critical decisions in child care placement.

Your Committee on Conference has amended this measure by:

- (1) Specifying that this measure shall be known and may be cited as the “Wiley Kaikou Muir Act”; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 674, 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. 674, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morikawa, Todd, Kobayashi and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 53 on H.B. No. 1396

The purpose of this measure is to recognize the varied needs of the State’s aging population by authorizing the Department of Health, in consultation with the Department of Human Services, to allow two private-pay individuals to be cared for in the same community care foster family home, provided certain requirements are met.

Your Committee on Conference notes that there is an ever-increasing need for community care foster family homes to support the health and long-term care needs of an aging population and families in the State. Under current law, community care foster family homes are generally licensed to provide accommodations and services to not more than two residents at any one time, one of whom must be a Medicaid recipient, who are at the nursing facility level of care. Under current law, a community care foster family home may request a third bed; however, the third bed must be for a Medicaid recipient.

Besides providing accommodations to Medicaid recipients, community care foster family homes also provide accommodations and services to private-pay individuals. Your Committee on Conference finds that not only are Medicaid recipients affected by the rising costs of long-term care, so are individuals who do not rely on Medicaid. Your Committee on Conference believes it is necessary to address the varied needs of the State’s aging population by providing the Department of Health with the flexibility to allow, subject to certain conditions, two private-pay individuals who are married or in a civil union to be cared for in the same community care foster family home, provided that the care home also provides care and services to a third adult resident who is a Medicaid recipient and subject to other specified conditions.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1396, 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. 1396, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morikawa, San Buenaventura, Kobayashi and Tupola.
Managers on the part of the House.
Ayes, 4; Ayes with Reservations (San Buenaventura). Noes, none. Excused, none.

Conf. Com. Rep. 54 on H.B. No. 1099

The purpose of this measure is to bring the State in compliance with the Justice for Victims of Trafficking Act of 2015, Public Law 114-22, and the Child Abuse Prevention and Treatment Act of 2010, Public Law 111-320, by:

- (1) Amending the definition of “child abuse or neglect” to ensure that mandated reporters of child abuse and neglect report to the Department of Human Services (DHS) known or suspected child victims of sex trafficking;
- (2) Ensuring that records and information contained in child abuse and neglect reports that are expunged may be retained by DHS solely for future risk and safety assessment purposes; and

- (3) Replacing references to unsubstantiated reports with “not confirmed” reports.

Your Committee on Conference has amended this measure by:

- (1) Redefining “sex trafficking” to conform to federal law;
- (2) Defining “severe forms of trafficking in persons” to conform to federal law;
- (3) Amending the definition of “child abuse or neglect” to include acts or omissions resulting in severe forms of trafficking in persons, provided that no finding by the Department of Human Services shall be used as conclusive evidence that a person has committed a labor trafficking or sex trafficking offense; and
- (4) Changing its effective date to May 29, 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 H.B. No. 1099, 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. 1099, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Keith-Agaran and Chang.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Morikawa, San Buenaventura and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 55 on H.B. No. 73

The purpose of this measure is to adopt technical, nonsubstantive amendments to Act 48, Session Laws of Hawaii 2016, by removing references to subsections.

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 H.B. No. 73, 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. 73, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Rhoads and Thielen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

Representatives Nishimoto, San Buenaventura and McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 56 on H.B. No. 279

The purpose of this measure is to clarify the law relating to campaign contributions and expenditures by specifying that certain types of dissemination, distribution, republication, and use of campaign materials or the financing of those campaign materials by any person shall not be considered a contribution to a candidate.

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 H.B. No. 279, 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. 279, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Kim).

Representatives Nishimoto, Lee and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 57 on H.B. No. 280

The purpose of this measure is to:

- (1) Clarify the filing due dates for preliminary, final, and supplemental reports submitted to the Campaign Spending Commission by candidate committees;
- (2) Require candidates who are elected and sworn into office within thirty days after a general, subsequent, subsequent special, or subsequent nonpartisan election to file their final election period reports no later than three business days before the date the candidate is sworn into office; and

- (3) Require candidate committees to file their supplemental reports on January 31 of each year.

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 H.B. No. 280, 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. 280, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Rhoads and Thielen.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 58 on H.B. No. 281

The purpose of this measure is to:

- (1) Require the Campaign Spending Commission to additionally publish on its website the names of noncandidate committees that have failed to file a report or timely correct a report; and
- (2) Establish a two week deadline for candidate and noncandidate committees to correct a report.

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 H.B. No. 281, 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. 281, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Kim).

Representatives Nishimoto, Lee and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 59 on H.B. No. 282

The purpose of this measure is to clarify that a noncandidate committee may be subject to fines if it fails to timely file a second preliminary general report by the due date.

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 H.B. No. 282, 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. 282, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Rhoads and Thielen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 60 on H.B. No. 1033

The purpose of this measure is to allow state and county agencies to participate in the administrative process afforded by the Hawaii Administrative Procedure law, Chapter 91, Hawaii Revised Statutes, by including "agencies" within the definition of "persons" in section 91-1, Hawaii Revised Statutes.

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 H.B. No. 1033, 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. 1033, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Gabbard and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Gabbard).

Representatives Nishimoto, Brower, San Buenaventura and McDermott.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 61 on S.B. No. 950

The purpose of this measure is to update requirements related to licensed mortgage servicers by:

- (1) Requiring approval by the Commissioner of Financial Institutions for a change in control of a mortgage servicer licensee; and
- (2) Clarifying which persons associated with a mortgage servicer are presumed to exercise control and are subject to interviews, examination, and disclosure requirements.

Your Committee on Conference finds that mortgage servicers often have relationships with borrowers that can last thirty years or more and can have a direct impact on what is often a consumer's largest asset. This measure requires the Commissioner of Financial Institutions to approve a change in control of a mortgage servicer licensee; enhances consumer protection by specifying when an individual is presumed to control a mortgage servicer; and enables the Commissioner to make certain determinations regarding the fitness of the person who will obtain control and the impact of the change in control on the public interest. Your Committee on Conference further finds that this measure makes the State's mortgage servicer law more effective and efficient, improves compliance within the mortgage servicer industry, and enhances the Division of Financial Institution's regulatory oversight and enforcement abilities.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to September 1, 2017; 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. 950, 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. 950, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 62 on S.B. No. 946

The purpose of this measure is to update the existing authority of the Department of Commerce and Consumer Affairs (Department) to adjust licensing fees, subject to the approval of the Governor, to include:

- (1) Licensing regulatory areas not currently referenced in section 92-28, Hawaii Revised Statutes; and
- (2) All future licensing regulatory areas statutorily assigned to or placed within the Department.

Your Committee on Conference finds that since 2007, six new licensing areas have been added to the Department's Professional and Vocational Licensing Division for regulation. These six new licensing areas are athletic trainers, behavior analysts, mixed martial arts, respiratory therapists, uniform athlete agents, and veterinary technicians. This measure authorizes the Department to adjust licensing fees for these licensing areas and any future licensing regulatory areas assigned to the Department, subject to the approval of the Governor, which ensures that the Department is able to timely increase or decrease fees for professional and vocational areas under its jurisdiction in a manner that is fair and impartial to all licensees.

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

Representatives Ohno, Takumi, Choy and Matsumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 63 on S.B. No. 951

The purpose of this measure is to update the State's mortgage loan origination law by clarifying:

- (1) Persons who are presumed to control a mortgage loan originator company;

- (2) Procedures for change in control of a licensee;
- (3) Persons who must disclose their relevant criminal history and criminal history background checks upon application for licensure and change in control of the licensee;
- (4) Criminal background check fee requirements; and
- (5) Conditions under which an employee performing mortgage loan origination activities for a nonprofit is exempt from registration and licensure as a mortgage loan originator.

Your Committee on Conference finds that among other things, this measure helps identify persons who are presumed to control a mortgage loan originator company, clarifies procedures for change in control of a licensee, and adds requirements to protect consumers in their mortgage loan origination transactions with exempt sponsoring mortgage loan originator companies. This measure ensures the State can provide appropriate supervision of the mortgage loan origination industry, as required by federal law; makes the State's mortgage loan origination law clearer and more effective; improves compliance within the industry; enhances the Division of Financial Institutions' regulatory oversight and enforcement of the mortgage loan origination industry; and elevates consumer protection.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to September 1, 2017; and
- (2) Making technical, nonsubstantive amendments for 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. 951, 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. 951, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 64 on S.B. No. 100

The purpose of this measure is to:

- (1) Repeal chapter 23, parts VI and VII, Hawaii Revised Statutes, requiring the Auditor to review certain tax exemptions, exclusions, deductions, and credits;
- (2) Require the Department of Taxation (DOTAX) to conduct reviews of certain tax exemptions, exclusions, deductions, and credits, beginning in 2019; and
- (3) Require DOTAX to publish a report on certain tax expenditures and report to the Legislature on a specified schedule.

Your Committee on Conference finds that the Auditor is the appropriate office to conduct the reviews of the exemptions, exclusions, credits, and deductions envisioned pursuant to Acts 245 and 261, Session Laws of Hawaii 2016, (Acts 245 and 261) codified in chapter 23, parts VI and VII, Hawaii Revised Statutes. Your Committee on Conference further finds that delaying the original review schedule is necessary due to the tax system modernization project underway at DOTAX and the unavailability of certain tax incentive data. Your Committee on Conference finds that the completed reviews will yield more relevant, meaningful, and accurate results if delayed for one year. Your Committee on Conference further finds that for the Auditor to complete the required reviews, it is necessary to provide the Auditor with access to DOTAX records and to clarify the standards to be used by the Auditor in the reviews.

Your Committee on Conference has amended this measure by deleting its contents and inserting the contents of the S.D. 2 version, which amends the provisions of the Auditor's review of exemptions, exclusions, credits, and deductions established under Acts 245 and 261 by:

- (1) Requiring DOTAX to provide the Auditor with any tax records that are necessary to conduct the reviews and establishing confidentiality requirements concerning the data;
- (2) Requiring that the reviews be made on a calendar year basis, rather than a fiscal year basis;
- (3) Clarifying the review criteria regarding the achievement of the legislative purpose of the exemption, exclusion, credit, or deduction;
- (4) Delaying the review schedules established under Acts 245 and 261;
- (5) Adding the organic foods production tax credit enacted by Act 258, Session Laws of Hawaii 2016, to the review schedule;
- (6) Requiring a status report to the Legislature on the Auditor reviews required pursuant to Acts 245 and 261; and
- (7) Appropriating funds to the Auditor to conduct the reviews required pursuant to Acts 245 and 261.

Your Committee on Conference has further amended this measure by:

- (1) Removing the provision requiring a status report to the Legislature on the Auditor reviews required pursuant to Acts 245 and 261;

- (2) Removing the appropriation to the Auditor to conduct the reviews required pursuant to Acts 245 and 261;
- (3) Making it effective upon its 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. 100, 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. 100, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 65 on S.B. No. 339

The purpose of this measure is to authorize all class B and class C felony charges to be instituted by written information subject to specified exceptions.

Your Committee on Conference finds that existing law enumerates fourteen class B felonies and ninety-four class C felonies that may be instituted by written information. Each time a new offense is created or added to the list of offenses that may be chargeable by written information, section 806-83, Hawaii Revised Statutes (HRS), must be amended to reflect this addition. By specifying certain offenses that shall not be, rather than listing offenses that may be, instituted by written information, this measure creates greater efficiency in implementing the written information charging law.

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. 339, 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. 339, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Rhoads and Gabbard.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Gabbard).

Representatives Nishimoto, San Buenaventura and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 66 on S.B. No. 322

The purpose of this measure is to:

- (1) Clarify that the circuit courts have concurrent jurisdiction with the family court over certain felonies when multiple offenses are charged and at least one of the offenses is a violation of the offense of endangering the welfare of a minor in the first degree, endangering the welfare of a minor in the second degree, or endangering the welfare of an incompetent person; and
- (2) Clarify that the district courts have concurrent jurisdiction with the family court of any violation of the offense of endangering the welfare of a minor in the second degree or endangering the welfare of an incompetent person when multiple offenses are charged and at least one of the offenses is a criminal offense within the jurisdiction of the district courts.

Your Committee on Conference finds that circuit, district, and family courts each have exclusive, original jurisdiction over certain matters as provided by law. There may be circumstances in which an entire act may be comprised of charges for which courts have separate exclusive jurisdiction. However, double jeopardy protections require that a defendant be charged with all known potential charges at the same time. As a result, the State must choose between charging the defendant in circuit, district, or family court based on the jurisdiction of each court. This measure will allow the circuit and district courts to have concurrent jurisdiction with the family court over certain endangerment offenses under certain circumstances to allow for proper charging and prosecution of these cases.

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. 322, 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. 322, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Nishimoto, Oshiro and McDermott.
Managers on the part of the House.

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

Conf. Com. Rep. 67 on S.B. No. 947

The purpose of this measure is to:

- (1) Authorize the Department of Commerce and Consumer Affairs to issue a citation for specific violations of beauty culture laws by licensees and permittees; and
- (2) Establish a process for licensees and permittees in violation of beauty culture laws to contest the citation for the assessment of fines for each violation.

Your Committee on Conference finds that this measure expedites the Regulated Industries Complaints Office's enforcement of certain technical violations of the beauty culture laws and promotes swift compliance by licensees and permittees. Your Committee on Conference further finds that the citation process established by this measure also enables the Regulated Industries Complaints Office's staff to concentrate their efforts and resources on more serious violations.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 947, 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. 947, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ohno, Takumi, San Buenaventura, Choy and Ward.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 68 on S.B. No. 1264

The purpose of this measure is to amend the process for registration, license renewal, instruction, and training for security guards.

Your Committee on Conference finds that since 2013, applicants for guard licensure have had to meet certain registration, renewal, instruction, and training requirements prior to acting as a guard. In addition, the Board of Private Detectives and Guards (Board) and the Department of Commerce and Consumer Affairs have been working diligently to address the concerns of the security guard industry regarding the registration and renewal process for guard licensure. Your Committee on Conference notes that the Board has made a number of process improvements to minimize application processing times and ensure that application backlogs are kept to a minimum.

Your Committee on Conference further finds that this measure amends the process for registration, license renewal, instruction, and training for security guards. However, additional amendments to this measure are necessary that can reduce the time and cost of licensure for security guards and further streamline the registration process, without compromising essential consumer protection.

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

- (1) Clarifying that, beginning on June 30, 2018, the registration renewal cycle for security guards shall be on a triennial basis, while maintaining a biennial registration renewal cycle for other licensees within the Board's jurisdiction;
- (2) Specifying that security guards must meet certain registration, instruction, and training requirements prior to acting as a guard, rather than meeting these requirements from the first day of employment;
- (3) Allowing a security guard applicant for registration to self-attest that the applicant possesses a high school education or its equivalent, as part of the application process;
- (4) Clarifying that an applicant must submit to a national criminal history record check as authorized by federal law and a criminal history record check from the Hawaii Criminal Justice Data Center, as part of the application process;
- (5) Clarifying that guards and individuals acting in a guard capacity shall successfully complete eight hours of classroom instruction before the first day of service and, prior to the June 30, 2021, triennial registration renewal and every registration renewal thereafter, four hours of classroom instruction during each triennial registration renewal period;
- (6) Deleting language that required the Board to establish the number of hours of classroom instruction that must be completed by guards and individuals acting in a guard capacity and permitted the Board to require up to eight hours of classroom instruction before the first day of service and at every triennial registration renewal period;
- (7) Clarifying that the definition of "classroom instruction" applies to the initial instruction and continuing education requirements and includes two-way teleconferencing and other interactive educational formats approved by the Board;
- (8) Specifying that guards who registered with the Board within one year prior to the applicable registration renewal date are not required to take the four hours of classroom instruction prior to renewing their guard registration;
- (9) Changing its effective date to July 1, 2017; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1264, 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. 1264, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ohno, Takumi, Woodson and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 69 on S.B. No. 396

The purpose of this measure is to amend the procedure for clearing titles to include reassignments or releases of leases and rents, for which the underlying debt has been fully paid or satisfied.

Your Committee on Conference finds that lenders may secure loans to a borrower through a mortgage and an assignment of the borrower's rights in leases and rents. Once a loan is paid in full and satisfied, the parties to the loan generally record a release of the mortgage but sometimes fail to record a release or reassignment of the security interest in leases and rents. As a result, many of these recorded assignments of leases and rents remain on the public record and continue to be found in subsequent title searches involving a property, even though these assignments are no longer enforceable.

Your Committee on Conference further finds that title insurers and underwritten title companies are authorized to execute the release of a satisfied mortgage in certain circumstances, such as non-compliance by a mortgagee with a demand to release a satisfied mortgage; however, there is no corresponding mechanism for clearing the public record of the assignments of leases and rents. This measure amends the procedure for clearing titles to include reassignments or releases of leases and rents, which enables title companies to better facilitate the clearing of extraneous security interests on titles to real property from the public record.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the required reassignment or release of the security interest in leases or rents applies to a borrower's interest in leases or rents in the same way that it applies to a mortgageor's interest in leases and rents; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 396, 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. 396, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran and Chang.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 70 on S.B. No. 314

The purpose of this measure is to amend the law regarding the disclosure requirements of an arbitrator in an arbitration by:

- (1) Clarifying that an interest or relationship that is required to be disclosed by an arbitrator includes a direct and material financial or personal interest in the outcome of the arbitration proceeding, or an existing or past substantial relationship with any of the parties to the agreement to arbitrate or other interested parties to the arbitration proceeding; and
- (2) Clarifying that if the court determines the arbitrator failed to disclose an interest or relationship that a reasonable person would consider likely to affect the impartiality of the arbitrator, then the court may determine that such a failure to disclose constituted evident partiality and vacate an award made by the arbitrator.

Your Committee on Conference finds that two recent decisions by the Supreme Court of Hawaii have affected the law relating to the disclosure requirements of an arbitrator that authorizes the trial court to vacate an arbitration award if the arbitrator failed to disclose a known fact that a reasonable person would consider likely to affect the impartiality of the arbitrator. In these two decisions, the Hawaii State Supreme Court held that an arbitrator's nondisclosure of information that may affect the arbitrator's impartiality constituted evident partiality as a matter of law and that the court was required to vacate the arbitrator's decision. This measure authorizes the trial court to determine the facts then impose relief that is appropriate and provides specific standards to enable the trial court to determine whether the arbitrator failed to disclose an interest or relationship that a reasonable person would consider likely to affect the impartiality of the arbitrator and whether to vacate an award made by an arbitrator who failed to disclose that information.

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. 314, 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. 314, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 71 on H.B. No. 1258

The purpose of this measure is to:

- (1) Establish registration requirements and driver's licensing requirements for operation of autocycles;
- (2) Require all dealers, sellers, lessors, and rental agencies to disclose certain information, as applicable, regarding each autocycle offered for sale, lease, or rent; and
- (3) Define "autocycle".

Your Committee on Conference has amended this measure by:

- (1) Deleting the definition of "autocycle";
- (2) Amending the definition of "motorcycle" to include every motor vehicle that has a steering wheel and seating that does not require the operator to straddle or sit astride on it, and is designed to travel on three wheels in contact with the ground, called an autocycle which is certified by the manufacturer to comply with all applicable federal motor vehicle safety standards as of the date of manufacture;
- (3) Requiring a person riding upon an autocycle to be sitting in the seat and facing forward;
- (4) Prohibiting a person from operating an autocycle while carrying any package, bundle or other article which prevents the person from keeping both hands on the steering wheel of the autocycle;
- (5) Changing its effective date to January 1, 2018; 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. 1258, 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. 1258, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 72 on H.B. No. 727

The purpose of this measure is to:

- (1) Allow the operator of a motorcycle or motor scooter to engage in "motorcycle lane filtering" or to proceed cautiously between stopped lanes of traffic and on shoulders on certain roadways as determined by the Department of Transportation (Department) until June 30, 2021; and
- (2) Require the Department to submit written reports regarding the impact of motorcycle lane filtering on traffic safety to the Legislature prior to the convening of the Regular Sessions of 2020 and 2021.

Your Committee on Conference has amended this measure by:

- (1) Removing the preamble;
- (2) Clarifying that the Department has discretion to authorize the operator of a motorcycle or motor scooter to proceed cautiously upon the shoulder of roadways, when traffic is stopped due to a marked or unmarked intersection or congestion;
- (3) Clarifying that the operator of the motorcycle or motor scooter shall safely maneuver into the adjacent lane the operator was previously on:
 - (A) Once the lane is free of traffic; or
 - (B) Once the lane of traffic begins to move forward;
- (4) Removing the requirement that the Department report on the impact of motorcycle lane filtering on traffic safety;
- (5) Changing its effective date to July 1, 2017; 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. 727, 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. 727, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Keith-Agaran and English.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (English).

Representatives Aquino, Nishimoto and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 73 on H.B. No. 554

The purpose of this measure is to establish criteria and a process for administrative orders to provide necessary medical treatment to persons who are involuntarily committed to an inpatient psychiatric facility or are inmates or detainees in the custody of the Department of Public Safety who are unable or unwilling to consent to the provision of treatment.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions relating to administrative orders for treatment of inmates and detainees in the custody of the Department of Public Safety;
- (2) Adding new language requiring the Department of Health and Department of Public Safety to collaborate on recommendations for an administrative process for orders to provide psychiatric treatment to inmates and detainees, based on best practices in other jurisdictions;
- (3) Requiring the Department of Health to report annually to the Legislature on the Department's implementation and use of the administrative process established by this Act and on the Department's use of the Assisted Community Treatment process under existing statutes to provide medical and psychiatric care to individuals on an outpatient basis;
- (4) Changing its effective date to July 1, 2017, and inserting a seven-year sunset; and
- (5) 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 H.B. No. 554, 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. 554, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran and Nishihara.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Nishihara).

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

Conf. Com. Rep. 74 on H.B. No. 301

The purpose of this measure is to require the Clerk of the Court to grant, upon the timely written request of a party, a single extension of no more than fifteen days for filing with the Supreme Court a response to an application for writ of certiorari.

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 H.B. No. 301, 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. 301, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Nishimoto, Oshiro and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 75 on H.B. No. 459

The purpose of this measure is to require written notice of the identity of a firearms permit applicant whose application had been denied because of restrictions established by federal or state law to:

- (1) Certain law enforcement agencies;

- (2) The court that issued a protective or restraining order on a firearm permit applicant; and
- (3) The probation or parole officer of the firearms permit applicant.

Your Committee on Conference has amended this measure to be 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. 459, 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. 459, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Nishihara and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Nishihara).

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

Conf. Com. Rep. 76 on S.B. No. 572

The purpose of this measure is to authorize the Office of Information Practices, rather than individual government agencies, to adopt administrative rules regarding agency record protection responsibilities for all state and county agencies that are subject to the Uniform Information Practices Act to uniformly follow and implement.

Your Committee on Conference finds that existing law authorizes each agency to individually adopt administrative rules to protect agency records and prevent manifestly excessive interference with agency duties. This measure promotes uniformity among agencies that are subject to the Uniform Information Practices Act by authorizing the Office of Information Practices to adopt rules that establish a single standard for agencies to follow.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 572, 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. 572, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 77 on S.B. No. 288

The purpose of this measure is to:

- (1) Authorize motor vehicle and boat towing options, after notice is provided to occupants, for self-service storage facilities after sixty or more days of delinquency;
- (2) Require owners to notify occupants via electronic mail then by certified mail;
- (3) Allow owners to publish notices of sales in any commercially reasonable manner, conduct sales online, and charge late fees;
- (4) Require late fees to be provided for in rental agreements; and
- (5) Require owners to notify occupants of the changes in the law.

Your Committee on Conference finds that the State's self-storage facilities lien law has remained virtually unchanged since its enactment in 1984. Consequently, the existing law does not adequately reflect or support current self-storage facilities businesses, including facility owners and storage unit occupants. This measure therefore modernizes and clarifies Hawaii's self-storage facilities lien laws.

Your Committee on Conference has amended this measure by:

- (1) Incorporating the terms "motor vehicle" and "boat" within the term "vehicle", for purposes of applying the relevant towing section in chapter 290, Hawaii Revised Statutes, to the self-storage lien law;
- (2) Clarifying the forms of notice that must be provided to occupants, including:
 - (A) Requiring notice to be provided at an occupant's last known electronic mail address and last known postal address, postage prepaid, for notice of default and lien, and permitting an occupant to respond to the notice of default and lien via electronic mail;
 - (B) Requiring notice to be provided at an occupant's last known electronic mail address and last known postal address, postage prepaid, for notice of lien; and

- (C) Requiring notice to be provided to an occupant's last known electronic mail address and last known address, by certified mail, postage prepaid, for notice of final demand and sale;
- (3) Deleting language that would have required any late fees charged by self-service storage facility owners to be provided for in the rental agreement, and would have permitted a late fee of \$20 or twenty percent of the monthly rental amount, whichever is greater, for each late rental payment;
- (4) Specifying that if a contract contains a limitation on value provision, this limitation shall be the maximum value of the stored property and shall not be less than \$1,000, and permitting the occupant to increase the limit on the value of the property with written permission of the owner;
- (5) Changing its effective date to upon its approval; 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. 288, 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. 288, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran and Ihara.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 78 on S.B. No. 949

The purpose of this measure is to:

- (1) Make various updates to the Money Transmitters Act, chapter 489D, Hawaii Revised Statutes, including:
- (A) Clarifying that transactions related to decentralized virtual currency are not subject to the Money Transmitters Act;
- (B) Clarifying permissible investment requirements for money transmitter licensees; and
- (C) Updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks; and
- (2) Establish the Decentralized Virtual Currency Working Group to be placed with the Department of Commerce and Consumer Affairs.

Your Committee on Conference finds that money transmitters are responsible for transmitting billions of dollars for consumers to locations around the world. Improper practices can result in loss of consumer funds and movement of money promoting or derived from unlawful activity. This measure makes various updates to clarify and strengthen Hawaii's Money Transmitters Act, which will improve licensee compliance, enhance the Division of Financial Institutions' ability to effectively administer the money transmitters law, ensure the law is more clearly applicable to new technology and creative payment options, and enhance consumer protection by strengthening requirements for background information on persons associated with a money transmitter licensee.

Your Committee on Conference further finds that this measure also exempts transactions related to decentralized virtual currency from the Money Transmitters Act and establishes a working group to study whether decentralized virtual currency should be regulated under the Money Transmitters Act. Your Committee on Conference notes that virtual currency is a highly complex, relatively novel payment model. Although the National Conference of Commissioners on Uniform State Laws has established a committee to examine the need for and feasibility of drafting uniform state legislation on the regulation of virtual currencies, the committee's work is still in progress. As such, your Committee on Conference believes it is prudent not to exempt decentralized virtual currency from the State's Money Transmitters Act at this time. Furthermore, your Committee on Conference also notes that the Commissioner of Financial Institutions has indicated a willingness to continue discussions regarding the issues surrounding virtual currency during the upcoming legislative interim.

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

- (1) Deleting the definition of "decentralized virtual currency";
- (2) Deleting language that would have exempted transactions related to decentralized virtual currency from the Money Transmitters Act;
- (3) Deleting language that would have established the Decentralized Virtual Currency Working Group within the Department of Commerce and Consumer Affairs;
- (4) Changing its effective date to September 1, 2017; 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. 949, 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. 949, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran and Kidani.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Kidani).

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

Conf. Com. Rep. 79 on S.B. No. 655

The purpose of this measure is to allow the news media, subject to certain conditions, to access areas that are closed pursuant to the emergency management powers of the Governor and Mayors.

Your Committee on Conference finds that a freely functioning news media is essential for maintaining a free and open society. The news media serves the invaluable purpose of relaying necessary and timely information to the public, and the need for this media role is even more urgent in an emergency or crisis situation. However, existing state laws do not ensure robust media access during emergency or crisis situations. Therefore, it is important to update these laws to ensure the maximum access possible for news media during emergency situations. Accordingly, this measure:

- (1) Allows a duly authorized representative of any news service, newspaper, radio station, television station, or online news distribution network, under certain conditions, to enter an area closed pursuant to the emergency management powers of the Governor or Mayors, if providing media access is reasonable, safe, and does not hinder ongoing response and recovery activities; and
- (2) Specifies that the State, counties, and designated emergency management officials are not responsible for providing logistical support to news media accessing closed emergency areas.

Your Committee on Conference has amended this measure by:

- (1) Inserting language that limits the liability of the State and counties arising from media representatives entering a closed emergency area; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of 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 Nishihara, Keith-Agaran and Wakai.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Wakai).

Representatives Takayama, San Buenaventura, LoPresti and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 80 on H.B. No. 1235

The purpose of this measure is to adopt the Uniform Family Law Arbitration Act to create a statutory framework for the arbitration of family law and child-related disputes.

Your Committee on Conference has amended this measure by:

- (1) Requiring the prospective arbitrator to make all disclosures that are required by section 658A-12, Hawaii Revised Statutes to the parties; and
- (2) Making this 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 H.B. No. 1235, 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. 1235, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Rhoads and Thielen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Nishimoto, San Buenaventura and McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 81 on H.B. No. 511

The purpose of this measure is to clarify and enhance consistency in the administration and enforcement of Hawaii's lobbying laws by amending the laws governing lobbyists including:

- (1) Amending the definition of “expenditure” to include the expense of preparing for a hearing before the Legislature or administrative agency;
- (2) Specifying that certain expenses for intrastate travel costs are excluded from the definition of “expenditure,” but the exclusion does not apply to travel costs of legislators, board members, commission members, or other employees of the State;
- (3) Specifying that expenses incurred by nonprofit organizations to prepare and submit a grant application are excluded from the definition of “expenditure”;
- (4) Amending the definition of “lobbyist” to specify types of activities and amounts of expenditures that qualify as lobbying;
- (5) Amending the definition of “lobbying” to exclude the preparation and submission of a grant application by a representative of a nonprofit organization;
- (6) Allowing a person who had employed or contracted with a lobbyist to file a notice of termination;
- (7) Amending the requirements for submitting lobbyist reports for the periods covered by special sessions of the Legislature;
- (8) Increasing the maximum administrative fine from \$500 to \$1000 for each violation of the lobbying law; and
- (9) Requiring the State Ethics Commission to post on the Internet the lobbyists’ registration statements within a reasonable time after filing and to maintain the posting for at least four years.

Your Committee on Conference has amended this measure by:

- (1) Deleting from the definition of lobbyist an individual who engages in an unspecified number of measures during the legislative session; 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 H.B. No. 511, 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. 511, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Kim and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 82 on H.B. No. 1009

The purpose of this measure is to exempt residence or occupancy in a structure or on a property directly controlled, owned, and managed by the Hawaii Public Housing Authority (HPHA), including state low-income housing projects and elder or elderly housing under HPHA, from the requirements of the Residential Landlord-Tenant Code.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that exemption for residence or occupancy in a structure or on a property from the Residential Landlord-Tenant Code applies to a structure or property directly controlled, owned, or managed by HPHA; and
- (2) 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. 1009, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1009, H.D. 3, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Takumi, Hashem and McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 83 on S.B. No. 102

The purpose of this measure is to address the federal funding policy study mandated by Act 225, Session Laws of Hawaii 2016.

Specifically, the measure:

- (1) Amends Act 225 to change the state agency charged with conducting the federal funding policy study required by that Act from the Office of the Governor to the Department of Budget and Finance;
- (2) Specifies that the fiscal bienniums to be covered by the study are 2017-2019 and 2019-2021; and

- (3) Extends the deadline for the study from no later than twenty days prior to the convening of the Regular Session of 2018 to October 1, 2018.

Your Committee on Conference finds that the Office of Federal Awards Management within the Department of Budget and Finance currently monitors federal funds received by the State and bears the major responsibility for budgetary policies. This familiarity, along with the Department's practical appreciation of the need for sustainable revenues, makes the Department more suited to conducting the federal funding policy study than the Office of the Governor.

Your Committee on Conference has amended this measure to:

- (1) Appropriate \$100,000 in fiscal year 2017-2018 for the preparation of the federal funding policy study; and
- (2) Change the effective date from July 1, 2030, to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 102, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 102, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, English and Galuteria.

Managers on the part of the Senate.

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

Representatives Luke, Cullen and Tupola.

Managers on the part of the House.

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

Conf. Com. Rep. 84 on S.B. No. 712

The purpose of this measure is to require the inclusion of additional information in the variance report submitted annually by the Governor to the Legislature to allow the Legislature to better align its budget decisions with the actual needs and expenditures of the executive departments.

More specifically, this measure requires the following information to be included in the variance report submitted to the Legislature before each Regular Session, commencing with the Regular Session of 2019:

- (1) Means of financing information and cost element breakdowns in comparison of:
 - (A) Budgeted appropriations and actual expenditures; and
 - (B) Position ceiling and filled positions; and
- (2) A summary by department of:
 - (A) Cost element breakdowns of expenditures; and
 - (B) The position ceiling in comparison to total positions filled.

Your Committee on Conference finds that the variance report submitted annually by the Governor to the Legislature generally includes only a summary of budgeted appropriations and actual expenditures. Your Committee on Conference further finds that consideration should be given to whether requiring additional information in the variance report would be helpful for the Legislature to better monitor the actual budgetary performances of the departments.

Your Committee on Conference has amended this measure by:

- (1) Deleting language requiring additional information to be included in the variance report submitted annually to the Legislature;
- (2) Requiring instead that the Governor submit to the Legislature, prior to the Regular Session of 2019, summarized comparisons by executive department of:
 - (A) Total budgeted and actual expenditures for fiscal year 2017-2018 and total budgeted and estimated expenditures for fiscal year 2018-2019; and
 - (B) The position ceiling and positions filled for fiscal year 2017-2018 and the position ceiling and positions estimated to be filled for fiscal year 2018-2019;
- (3) Requiring the Governor to recommend to the Legislature whether similar information to that required by this measure should be included in future variance reports;
- (4) Requiring that the information and recommendation required by paragraphs (2) and (3) be submitted with the variance report submitted to the Legislature prior to the Regular Session of 2019;
- (5) Changing the effective date to July 1, 2018; 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 S.B. No. 712, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 712, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 85 on S.B. No. 713

The purpose of this measure is to require that the state six-year program and financial plan and budget include information on tax expenditures, which are exemptions, deductions, credits, exclusions, or other deviations from the normal tax structure.

Your Committee on Conference finds that tax expenditures, like appropriations of funds, result in the reduction of available resources for public programs. However, information about tax expenditures, particularly their negative impact on the state treasury, is not as readily available to the public as is information about budget appropriations and expenditures. Your Committee therefore finds that this measure promotes transparency and facilitates the provision of information necessary for the Legislature to weigh the costs of tax expenditures against the costs of public programs that are dependent on budget appropriations.

Your Committee on Conference has amended this measure to take effect on July 1, 2018.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 713, 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. 713, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 86 on S.B. No. 722

The purpose of this measure is to determine the benefits, appropriateness, and value of efficiency measures for state programs.

More specifically, the measure:

- (1) Recommences, with clearer expectations and objectives, the efficiency measures pilot project first established under Act 67, Session Laws of Hawaii 2015;
- (2) Appropriates unspecified sums of general funds for fiscal years 2017-2018 and 2018-2019 for the pilot project; and
- (3) Requires the Director of Finance, no later than twenty days prior to the convening of the Regular Session of 2019, to submit to the Legislature a report on efficiency measures attained.

Your Committee on Conference finds that, at present, projections of state general fund revenues are not particularly robust. Thus, the budgetary situation of the State may require more scrutiny in the future to better control appropriations. Your Committee on Conference believes that efficiency measures may provide data to enhance the level of scrutiny and help the legislature make difficult budget decisions to improve and continue important programs on a sustainable basis. However, present state budget documents do not include efficiency measures tied to appropriation requests.

Your Committee on Conference recognizes that Act 67, Session Laws of Hawaii 2015, established an efficiency measures pilot project intended to provide the Legislature with the information necessary to determine whether efficiency measures may be formulated, collected, and analyzed by the Department of Budget and Finance and other state agencies in a practical and cost-effective manner. As a result of Act 67, the Department of Budget and Finance, on December 30, 2016, submitted a report to the Legislature regarding the pilot project. The report raised certain concerns, such as the proper definition of efficiency measures and the resources necessary to provide data on efficiency measures. Based on these concerns, the report recommended further discussion with the Legislature on the issue.

In light of these concerns, your Committee on Conference finds that recommending the pilot project with clearer expectations and objectives should produce better data and a clearer determination of the benefits, appropriateness, and value of efficiency measures.

Your Committee on Conference notes that the \$100,000 appropriated in Act 67, Session Laws of Hawaii 2015, for the efficiency measures study was never expended.

Your Committee on Conference has amended this measure by:

- (1) Inserting general fund appropriations of \$50,000 each for fiscal year 2017-2018 and fiscal year 2018-2019 for the conduct of the pilot project; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 722, 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. 722, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 87 on S.B. No. 387

The purpose of this measure is to require a health carrier with a network plan to maintain a network that is sufficient in numbers and appropriate types of providers, to ensure that covered persons under a health benefit plan have access to covered benefits.

Your Committee on Conference finds that the federal Patient Protection and Affordable Care Act of 2010 requires that health plans participating in qualified health plans meet network adequacy standards to ensure consumers have access to needed care without unreasonable delay. In November 2015, the National Association of Insurance Commissioners (NAIC) adopted a new Network Adequacy Model Act (Model Act) that established standards for the creation and maintenance of health plan networks and to assure the adequacy, accessibility, transparency, and quality of health care services offered under a network plan.

Your Committee on Conference further finds that this measure is Hawaii's adaptation of the NAIC's Model Act and is the product of a working group established by the Insurance Commissioner to create network adequacy policies that balance the realities of Hawaii's unique provider base with a health plan's ability to provide its members with proper access to a sufficient number of in-network primary care and specialty providers.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2017; 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. 387, 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. 387, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Takumi, Kobayashi and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 88 on S.B. No. 953

The purpose of this measure is to make various updates to the State's insurance code relating to: third-party claimants; insurance fraud penalties; certificates of authority; motor vehicle insurance self-insurers; nonresident adjusters; insurance producer licensing; and supervisory proceedings undertaken by the Insurance Commissioner.

Your Committee on Conference finds that this measure will update and improve the State's insurance code in a number of areas. Among other things, this measure proactively allows the Commissioner to trigger the arrival and assistance of nonresident adjusters in the State ahead of a declaration of emergency by the Governor.

Your Committee on Conference further finds that this measure also conforms the State's producer licensing requirements to the National Association of Insurance Commissioners' Producer Licensing Model Act by eliminating producer-to-producer appointments. In 2001, the Insurance Division deviated from the model law to conform with the then-current system, and as a result, Hawaii is now the only state that has a producer-to-producer appointment law. This measure ensures Hawaii's insurance code is uniform with other states' statutes.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have required certain actions by a producer and insurer upon initiation by the producer of termination of the producer's appointment with the insurer, as this language did not conform to the Producer Licensing Model Act;
- (2) Changing its effective date to July 1, 2017; provided that the provisions relating to producer licensing shall take effect on January 1, 2019; 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. 953, 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. 953, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran, Taniguchi, Ihara and Nishihara.

Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Taniguchi).

Representatives Takumi, Cullen and Ward.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 89 on S.B. No. 1006

The purpose of this measure is to eliminate a loophole that allows a nonresident decedent to avoid estate and generation-skipping transfer taxes by using a single member limited liability company to hold property located in the State.

Your Committee finds that the Hawaii estate tax is imposed on property transferred from decedents to their heirs.

For nonresident decedents, only property located in Hawaii is subject to the tax. However, when a nonresident decedent's property located in Hawaii is placed into a single member limited liability company, the Hawaii estate tax does not apply because the decedent did not directly own the property. Instead, the property is treated as having the situs of the nonresident decedent's domicile. This measure closes that tax law loophole by specifying that, if property located in Hawaii is held by a single member limited liability company that is solely owned by a nonresident decedent, that company will be disregarded for estate tax purposes and the tax will apply as if the nonresident decedent owned the property directly.

Your Committee has amended this measure by changing the effective date to the date of the measure's 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. 1006, 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. 1006, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nishimoto, Cullen and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 90 on S.B. No. 292

The purpose of this measure is to repeal chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, on January 1, 2019, and ensure that all condominiums in the State are governed under chapter 514B, Hawaii Revised Statutes, relating to condominiums.

Your Committee on Conference finds that two condominium chapters are currently maintained: chapter 514A, Hawaii Revised Statutes (chapter 514A), and chapter 514B, Hawaii Revised Statutes (chapter 514B). Chapter 514A is relevant only to condominium property regimes that were created before July 1, 2006. Chapter 514B has applied to all condominiums created within the State since July 1, 2006, and virtually all provisions of chapter 514B that affect the management of condominiums have applied automatically to condominiums in existence before July 1, 2006, the effective date of chapter 514B. Your Committee on Conference further finds that this measure repeals chapter 514A, ensures that all condominiums in the State are governed under chapter 514B, and is needed to eliminate the unnecessary confusion caused by maintaining two condominium chapters under Hawaii law.

However, your Committee on Conference notes that certain condominium projects created prior to July 1, 2006, may still be required to submit various types of public reports to the Real Estate Commission. It is therefore important for this measure to include an appropriate safe harbor mechanism for all condominiums and projects in the State created prior to July 1, 2006, to ensure the smooth transition of these condominiums and projects to chapter 514B.

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

- (1) Including a safe harbor provision, which:
 - (A) Permits condominium property regimes created prior to July 1, 2006, to be sold on or after January 1, 2019, without revising any of the governing documents; provided that the developer's public report was active on January 1, 2019, and is accurate and not misleading;
 - (B) Specifies that on January 1, 2019, all active, non-expired developer's public reports under chapter 514A will be treated as non-expiring public reports under chapter 514B, but requires developers to file an amended public report if any pertinent or material changes occur to the condominium project;
 - (C) Requires condominium property regimes created prior to July 1, 2006, but were not issued an effective date and did not file a notice of intent under chapter 514A to revise their governing documents and register under chapter 514B, for a developer to offer for sale or sell condominiums; and
 - (D) Specifies that nothing in this measure shall be deemed to invalidate any condominium property regime that was validly created under chapter 514A prior to July 1, 2006;
- (2) Deleting language that specified developers of projects registered under chapter 514A, but not yet brought to market for sale, had until January 1, 2019, to register such projects with the Real Estate Commission and bring the projects to market;
- (3) Changing its effective date to January 1, 2019; 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. 292, 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. 292, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, San Buenaventura, Cullen and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 91 on S.B. No. 382

The purpose of this measure is to require a management audit of the Public Utilities Commission (Commission).

Your Committee on Conference finds that the Public Utilities Commission is empowered and mandated to provide effective, proactive, and informed oversight of public utilities, including electric, telephone, and gas companies; sewer and water companies; interisland water carriers; and motor carriers, all of which provide services that are essential to the public interest of the State. Your Committee on Conference further finds that the Office of the Auditor last conducted a management audit on the Commission in 2004. At that time, the Auditor's report identified core deficiencies that resulted from a lack of vision and planning. Your Committee on Conference therefore finds that it is prudent to again evaluate the Commission, to ensure that any previously identified issues have been addressed, reveal opportunities for improvement, and aid in the transition to a more effective and efficient Commission. Accordingly, this measure requests the Auditor to conduct a comprehensive management audit of the Commission.

However, your Committee on Conference notes that while the requested management audit is an important first step in evaluating the effectiveness of the Commission, amendments to this measure are necessary that will further increase the efficiency and effectiveness of the Commission.

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

- (1) Establishing guiding principles of the Commission;
- (2) Allowing a commissioner to attend a public hearing or meeting or work with staff by teleconference or videoconference in specific situations;
- (3) Requiring the Commission's budget to provide for travel expenses for commissioners who are residents of a county other than the City and County of Honolulu;
- (4) Updating the contents of the requested management audit, including consideration of the ability of individual commissioners to receive assistance from Commission staff and permitting the Auditor to review public utilities commissions in other jurisdictions;
- (5) Changing its effective date to July 1, 2017;
- (6) Updating its purpose section; 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. 382, 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. 382, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Cullen and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 92 on S.B. No. 99

The purpose of this measure is to prohibit any county from disqualifying a legal nonconforming dwelling unit from the housing choice voucher program if the unit meets zoning and building code requirements and other program standards such as health and safety standards.

Your Committee on Conference finds that a lack of available housing options is a critical issue facing the State's citizens. Measures that limit housing availability have the additional negative effect of increasing home prices and rents. It is therefore necessary to remove as many barriers to affordable housing as possible. This measure confronts this issue by limiting a county's ability to disqualify a legal nonconforming dwelling unit from the housing choice voucher program, thereby retaining the availability of these units for section 8 housing.

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. 99, 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. 99, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Nakamura and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 93 on S.B. No. 407

The purpose of this measure is to broaden the types of short-term investment options for the counties, including certain money market funds.

Your Committee on Conference finds that ensuring the financial strength of the counties is important for public welfare. One means of supporting the financial strength of the counties is to allow the counties to make certain short-term investments. While the counties currently have authority to make some investments, it is important and sensible to expand the investment options of the counties so that they more closely mirror the investment options afforded to the State. However, to better protect the public, there should also be in place safeguards to ensure quality investments. Accordingly, this measure:

- (1) Allows the director of finance of each county to make short-term investments in additional types of bonds and notes, thereby providing the county directors of finance with similar investment authority as the state Director of Finance;
- (2) Requires that for investments in bonds of any improvement district, the investments be of investment grade or supported by the general obligation pledge of the county in which the improvement district is located; and
- (3) Prohibits investment or the entering into any agreement which would or may require the county to make future payments, such as swap agreements, hedge agreements, or other similar agreements.

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. 407, 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. 407, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 94 on S.B. No. 545

The purpose of this measure is to establish a temporary commission to plan for the 13th Festival of Pacific Arts to be held in Honolulu from June 11 to June 27, 2020.

Your Committee finds that the Festival of Pacific Arts will place Hawaii in the spotlight, bringing attention to the State's creative arts economy while also providing the opportunity for cultural exchange to advance topics of global relevance. The festival will bring together delegations from approximately twenty-seven Pacific island nations for events, activities, and performances. By highlighting Hawaii's arts, culture, design, and music, the festival will help position the State as a hub of creative and cultural importance in the Pacific.

Your Committee on Conference has amended this measure by:

- (1) Adding an additional community member to the commission and providing the Governor with flexibility by clarifying that it is preferable that the two community members of the commission have experience in cultural and international festivals;
- (2) Changing the commission reporting requirement to twenty days prior to the convening of the regular session of 2018 rather than twenty days prior to the regular sessions of 2018, 2019, and 2020;
- (3) Inserting an appropriation amount of \$500,000 for fiscal year 2017-2018 from the general revenues of the State of Hawaii for the commission to plan for the Festival of Pacific Arts to be held in Honolulu from June 11 to June 27, 2020;
- (4) Removing the proviso to repeal this measure on June 30, 2022;
- (5) Changing the effective date to July 1, 2017; 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. 545, 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. 545, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Onishi, Holt and McDermott.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 95 on S.B. No. 1244

The purpose of this measure is to:

- (1) Authorize the Hawaii Community Development Authority to waive a right to repurchase a reserved or workforce housing unit and transfer that right to a qualified nonprofit housing trust;
- (2) Authorize the counties to waive their first right of refusal to repurchase certain privately-developed affordable housing units and transfer that right to a qualified nonprofit housing trust;
- (3) Authorize the Hawaii Housing Finance and Development Corporation (HHFDC), if it waives its first right of refusal to purchase certain real property, to transfer that right to a qualified nonprofit housing trust, which must then establish new buyback restrictions to maintain the affordability of that unit;
- (4) Amend the means of calculating the maximum price for the HHFDC's first option to purchase real property;
- (5) Amend the state low-income housing tax credit; and
- (6) Appropriate funds to the HHFDC to establish a position to oversee the low-income housing tax credit.

Your Committee on Conference finds that for decades, there has been a persistent shortage of safe, decent, and sanitary housing, and the median price for a single family home on Oahu has risen to approximately \$750,000. Your Committee on Conference further finds that recent studies show a need for sixty thousand housing units by the year 2020. Your Committee on Conference additionally finds that it is necessary to take steps to preserve the affordability of housing units for as long as possible.

Your Committee on Conference has amended this measure by:

- (1) Deleting amendments to the state low-income housing tax credit;
- (2) Deleting the condition that the HHFDC or qualified nonprofit housing trust selected by HHFDC exercise the option to purchase the real property within a reasonable amount of time before a purchaser is required to sell the property to a qualified resident upon certain terms;
- (3) Deleting the appropriation to the HHFDC;
- (4) Changing the effective date to July 1, 2017; 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. 1244, 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. 1244, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Nakamura and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 96 on S.B. No. 423

The purpose of this measure is to:

- (1) Prohibit denying a student a meal for failure to pay within the first twenty-one days of the first semester of a school year while the student's application is being processed;
- (2) Prohibit denying a student a meal for failure to pay within seven days after the student's meal fund account balance is zero or negative;
- (3) Authorize the Department of Education to adopt rules or policies for the collection of funds for negative student meal balances; and
- (4) Require a report to the Legislature.

Your Committee on Conference finds that forty-seven percent of public school students in Hawaii qualify for the Department of Education's free and reduced lunch program. Your Committee on Conference further finds that gaps in coverage for individual students in the program can arise due to delays in processing applications or the financial situation of the student's family. Your Committee on Conference additionally finds that chronically hungry students suffer significant hardship compared to their classmates, and can experience achievement gaps, concentration loss, illness, increased absenteeism, behavioral problems, depression, and misdiagnosed learning disorders. This measure will ensure that students qualifying for the free and reduced lunch program will not go hungry due to delays in application processing or missed payments.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 423, 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. 423, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Woodson, Cullen, Hashem, Ohno and Matsumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 97 on S.B. No. 1286

The purpose of this measure is to:

- (1) Clarify the scope of the private trade, vocational, and technical school licensure program within the Department of Education;
- (2) Authorize the Department of Education to ensure that the private trade, vocational, and technical schools are complying with either federal requirements or accreditation requirements;
- (3) Establish a licensing fee to ensure the sustainability of the licensure program;
- (4) Establish a license renewal process and fee;
- (5) Establish the private trade, vocational, and technical school licensure special fund; and
- (6) Appropriate monies for one full-time equivalent position within the Department of Education to administer the licensing program.

Your Committee on Conference finds that private trade, vocational, and technical schools provide specialized training for a number of professions in the State, including those in massage therapy, health care, tax preparation, and maritime activities. These schools are prohibited from operating in Hawaii without being licensed, and licensure has been the responsibility of the Department of Education since 1939. Your Committee on Conference further finds that many private trade, vocational, and technical schools rely on state licensure to fulfill accreditation requirements, facilitate collaboration and participation with entities and students from outside the State, and receive access to funding from a diverse variety of sources.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Department of Education to license schools as necessary to allow those schools to qualify for federal, state, or private funding or to allow graduates to qualify for professional licensing;
- (2) Specifying that license and license renewal fees for applications submitted after December 31, 2017, are \$2,000;
- (3) Authorizing an appropriation amount of \$60,000 from the general fund of the State for deposit into the private trade, vocational, and technical school licensure special fund;
- (4) Authorizing an appropriation amount of \$100,000 out of the private trade, vocational, and technical school licensure special fund;
- (5) Changing the effective date to July 1, 2017; 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. 1286, 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. 1286, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kidani, Baker, Kahele and Dela Cruz.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Woodson, Takumi, Lowen, Ohno and Matsumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 98 on S.B. No. 911

The purpose and intent of this measure is to provide additional financing assistance for affordable rental housing projects under the Housing Loan and Mortgage Program, popularly known as the Hula Mae Multifamily Program.

More specifically, this measure increases the Hula Mae Multifamily Revenue Bond authorization amount from \$1,000,000,000 to an unspecified amount and requires the Hawaii Housing Finance and Development Corporation to submit annual reports to the Legislature describing the multifamily revenue bond activity under section 201H-95, Hawaii Revised Statutes.

Your Committee on Conference finds that the affordable housing crisis continues to be one of the State's most significant and challenging social problems and is a critical issue for many Hawaii residents. Your Committee on Conference believes that as the cost of housing increases, the State must continue to assist residents in obtaining affordable rental housing. Increasing the Hawaii Housing Finance and Development Corporation's revenue bond authorization will allow the corporation to provide additional financing assistance for affordable rental housing projects under the Housing Loan and Mortgage Program.

Your Committee on Conference has amended this measure by changing the bond authorization cap amount from an unspecified amount to \$1,500,000,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of 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 Tokuda, Dela Cruz and English.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Dela Cruz).

Representatives Brower, Nakamura and McDermott.

Managers on the part of the House.

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

Conf. Com. Rep. 99 on S.B. No. 718

The purpose and intent of this measure is to establish a mobile court to dispose of certain criminal cases.

Specifically, this measure:

- (1) Temporarily establishes the community court outreach project in the City and County of Honolulu to dispose of cases involving nonviolent, nonfelony offenses where a plea agreement has been reached;
- (2) Makes the project subject to the availability of funds and memoranda of agreement with the Prosecuting Attorney of the City and County of Honolulu and the state Public Defender;
- (3) Appropriates an unspecified sum for the project with unspecified amounts to be transferred to the Prosecuting Attorney of the City and County of Honolulu and the state Public Defender; and
- (4) Terminates the project on June 30, 2020.

Your Committee on Conference finds that a community court outreach project provide accountability for and treatment options to offenders, ultimately resulting in reduced crime and recidivism.

Your Committee on Conference notes that an appropriation of \$445,768 in general funds for each fiscal year of the biennium has been included within the General Appropriations Act of 2017. The appropriation is intended to be distributed among the Office of the Public Defender, the Department of the Prosecuting Attorney for the City and County of Honolulu, and the Judiciary for the community court outreach project. Your Committee on Conference also intends that the appropriation be recurring, signifying the legislative intent that the project be made permanent and possibly expanded to other counties in the future.

Your Committee on Conference has amended this measure to make the provisions consistent with the policy direction expressed in the General Appropriations Act of 2017. Specifically, your Committee on Conference has amended this measure by:

- (1) Making the project permanent;
- (2) Making the administration and operation of the project subject to the availability of sufficient funds through a specific appropriation, transfer of an appropriation from another state agency, or a federal or other grant;
- (3) Deleting the requirement that the Judiciary enter into memoranda of agreement with the Prosecuting Attorney of the City and County of Honolulu and the state Public Defender to specify the terms and conditions of each agency's participation in the project;
- (4) Requiring the Prosecuting Attorney of the City and County of Honolulu and the state Public Defender to participate in the project, subject to the availability of sufficient funds;
- (5) Deleting the appropriation in light of the funding provided for the project under the General Appropriation Act of 2017;
- (6) Adding that the Chief Justice, as an alternative recommendation in the report to the Legislature and the Governor on the project, may recommend that the project be terminated; and
- (7) Changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 718, 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. 718, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 100 on S.B. No. 149

The purpose and intent of this measure is to:

- (1) Repeal the requirement that all applicants for procurement contracts for health and human services possess all licenses necessary to conduct the subject business; and
- (2) Repeal the requirement that all contracts for health and human services include only costs, fees, and taxes that are reflected in the proposal.

Your Committee on Conference finds that the requirement that potential contractors obtain licensure prior to being awarded a state contract for health or human services has served as a significant barrier to new providers entering the service system, as providers typically will not obtain licensure prior to being awarded a contract. Your Committee on Conference further finds that the Hawaii Administrative Rules already require applicants to obtain necessary licenses prior to the start of contract services, and that the original intent of this law is no longer being served because its implementation has resulted in an overly restricted marketplace which has chilled healthy business competition amongst qualified health and human services providers. Thus, your Committee on Conference finds that the repeal of this law is necessary for the efficient processing of contracts for health and human services.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 149, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 149, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 101 on S.B. No. 559

The purpose of this measure is to:

- (1) Document the State's commitment to combat climate change by systematically reducing greenhouse gas emissions and improving our resiliency to climate change aligned with the principles and contributing to the goals set by the Paris Agreement;
- (2) Rename the Interagency Climate Adaptation Committee as the Hawaii Climate Commission; and
- (3) Require the Hawaii Climate Commission to develop sea level rise vulnerability and adaptation reports and to take the lead on the establishment and implementation of climate change mitigation and adaptation strategies.

Your Committee on Conference finds that not only is climate change real, but it is the overriding challenge of the 21st century and one of the priority issues of the Senate. Your Committee on Conference also finds that on December 12, 2015, one hundred ninety-five countries at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change adopted an agreement addressing greenhouse gas emissions mitigation, adaptation, and finance starting in the year 2020, known as the Paris Agreement. Your Committee on Conference supports the goals of the Paris Agreement to combat climate change and its effects on environments, economies, and communities around the world and finds it necessary that the State expand its efforts to further mitigate Hawaii's greenhouse gas emissions and adopt strategies to minimize the impact of climate change on Hawaii's people and environment.

Your Committee on Conference has amended this measure by:

- (1) Amending the title of chapter 225P, Hawaii Revised Statutes, to read, "Hawaii Climate Change Mitigation and Adaptation Initiative";
- (2) Renaming the Hawaii Climate Commission as the Hawaii Climate Change Mitigation and Adaptation Commission (Commission);
- (3) Deleting certain references to section 225P-1, Hawaii Revised Statutes;

- (4) Inserting a general fund appropriation amount of \$40,000 for fiscal years 2017-2018 and 2018-2019 to the Department of Land and Natural Resources, rather than the Department of Accounting and General Services, for the purposes of this measure;
- (5) Inserting a general fund appropriation amount of \$65,000 for fiscal years 2017-2018 and 2018-2019 to the Department of Land and Natural Resources for the establishment of one full-time equivalent (1.00 FTE) climate change mitigation and adaptation coordinator position to support the Commission;
- (6) Making the climate change mitigation and adaptation coordinator position exempt from chapter 76, Hawaii Revised Statutes;
- (7) Inserting an effective date of July 1, 2017; 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. 559, 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. 559, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Kim, Inouye and English.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 1 (Inouye).

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

Conf. Com. Rep. 102 on S.B. No. 885

The purpose and intent of this measure is to permit the Comptroller to acquire risk management, investigative, claims adjustment, actuarial, and other services on a fixed fee basis by exempting a broker submitting a proposal in response to such a fixed fee solicitation and the broker's performance of the activities in accordance with the proposal from certain provisions of the Insurance Code.

Your Committee on Conference finds that providing the Comptroller with the option to hire an insurance broker on a fixed fee for service basis rather than the current commission basis by enabling the broker to accept a flat fee from the State will result in better value to the public through lower costs of acquiring and insuring State property and liability risks. Your Committee on Conference further finds that it is in the best interest of the public to give the Comptroller flexibility in choosing a compensation model that is most cost-effective under the prevailing economic environment at the time when procuring insurance for the State. Your Committee on Conference notes that the current arrangement of the state insurance broker being compensated on a commission basis by the insurance companies from which the State purchases insurance could present a conflict of interest or at minimum the appearance of a conflict of interest.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 885, 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. 885, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Cullen and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 103 on S.B. No. 935

The purpose of this measure is to:

- (1) Permit the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to employ certain staff through the civil service system;
- (2) Exempt any civil service exempt EUTF staff positions created after July 1, 2014, from section 76-16(b)(17)(A), Hawaii Revised Statutes, which would have required any civil service exempt EUTF positions created after July 1, 2014, to expire in three years unless affirmatively extended by an act of the Legislature; and
- (3) Appropriate funds for the EUTF to hire staff through the civil service system.

Your Committee on Conference finds that eighty-six percent of EUTF authorized positions are exempt from civil service, and thus do not receive the same benefits that are available to employees hired through the civil service system. Your Committee on Conference finds that EUTF operations and employees would benefit from the hiring of certain EUTF staff through the civil service system.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$86,837 for fiscal year 2017-2018 and \$104,616 for fiscal year 2018-2019 for the EUTF to employ certain staff through the civil service system; and

- (2) Inserting an effective date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 935, 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. 935, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Taniguchi and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

Representatives Johanson, Holt, Keohokalole and Matsumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Keohokalole).

Conf. Com. Rep. 104 on S.B. No. 930

The purpose of this measure is to provide a process by which the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) may void claims for reimbursement of Medicare part B premiums and other debt payable when the total amount payable is less than a specified dollar amount and the claim is older than ten years.

Your Committee on Conference finds that the EUTF currently lacks a process by which it may void claims for minor amounts of unclaimed property after a sufficient time period has passed. This measure establishes a mechanism by which the EUTF can void such claims in a similar manner to the Department of Budget and Finance Unclaimed Property Program.

Your Committee on Conference has amended this measure by:

- (1) Changing the unspecified dollar cap for forfeiture of unclaimed Medicare Part B premiums and other property to \$500;
- (2) Inserting an effective date of July 1, 2017; 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. 930, 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. 930, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Taniguchi and Thielen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Johanson, Holt, Keohokalole and Matsumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Keohokalole).

Conf. Com. Rep. 105 on S.B. No. 902

The purpose of this measure is to update various statutory provisions relating to the High Technology Development Corporation, including to:

- (1) Change the name of the High Technology Development Corporation to the Hawaii Technology Development Corporation;
- (2) Change all references to “high technology” to “technology” in chapter 206M, Hawaii Revised Statutes; and
- (3) Repeal the Hawaii Software Service Center established within the High Technology Development Corporation because it has been unfunded for at least ten years.

Your Committee on Conference finds that changing the High Technology Development Corporation’s name aligns with the common practice of the public and the media to refer to the agency as the Hawaii Technology Development Corporation. Your Committee on Conference also finds that with rapid advancements in telecommunication, the Internet, and automation, “high technology” is now simply referred to as “technology”; therefore, updating all references within chapter 206M, Hawaii Revised Statutes, from “high technology” to “technology” is appropriate. Your Committee on Conference further finds that the Hawaii Software Service Center has been unfunded for at least ten years and is obsolete.

Your Committee on Conference has amended this measure by changing the effective date to upon approval; provided that the High Technology Development Corporation’s name change takes effect on July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 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 and Speaker of the House of Representatives on behalf of the Committee.

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

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

Conf. Com. Rep. 106 on S.B. No. 908

The purpose of this measure is to increase the clarity and effectiveness of the Small Business Regulatory Flexibility Act by:

- (1) Adopting a more explicit definition of “small business”;
- (2) Clarifying the powers of the Small Business Regulatory Review Board when reviewing administrative rules that have an economic impact on small business;
- (3) Increasing the number of Board members from nine to eleven; and
- (4) Clarifying when agencies are required to report to the Small Business Regulatory Review Board and when the Board is required to report to the Legislature.

Your Committee on Conference finds that the Small Business Regulatory Review Board provides oversight, guidance, and advocacy regarding regulations impacting small business in the State. Your Committee on Conference finds that increasing the number of board members from nine to eleven is intended to alleviate quorum problems. Your Committee on Conference further finds that adopting a more explicit definition of “small business” clarifies the powers of the Small Business Regulatory Review Board.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2017; 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. 908, 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. 908, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Keohokalole and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 107 on S.B. No. 900

The purpose of this measure is to:

- (1) Amend the qualifications for Hawaii Community-Based Economic Development Technical and Financial Assistance Program (Program) grants to include technical assistance to community-based organizations; and
- (2) Reduce the number of Community-Based Economic Development Advisory Council members from twelve to ten.

Your Committee on Conference finds that this measure will help the Program assist more community-based organizations that serve distressed areas of the State. Your Committee on Conference further finds that the Community-Based Economic Development Advisory Council faces difficulty in meeting due to lack of quorum and that lowering the number of advisory council members from twelve to ten will make it easier to schedule meetings and take official action.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2017; 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. 900, 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. 900, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Keohokalole and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 108 on S.B. No. 469

The purpose of this measure is to appropriate funds for the operating and capital improvement budget of the Judiciary for the 2017-2019 fiscal biennium.

Your Committee on Conference approves \$361,196 for fiscal year 2017-2018 and \$729,216 for fiscal year 2018-2019 in general funds for salary increases for the justices, judges, Administrative Director of the Courts, and Deputy Administrative Director of the Courts.

Your Committee on Conference has also provided the following:

- (1) Converting 1.00 position from temporary to permanent for the Supreme Court;
- (2) Converting 7.00 positions from temporary to permanent for the Girls' Court Program; and
- (3) Adding 2.00 positions and \$58,932 in fiscal year 2017-2018 and \$101,544 in fiscal year 2018-2019 in general funds for the Mental Health Unit for the First Circuit.

CAPITAL BUDGET

Your Committee on Conference finds that Ka'ahumanu Hale, Oahu is in need of critical improvements to both its fire alarm and elevator systems, and thus provides \$1,265,000 in fiscal year 2017-2018 in general obligation bond funds for system upgrades and modernization at Ka'ahumanu Hale, Oahu.

Your Committee on Conference acknowledges the disrepair of the Ewa District Court and has therefore provided \$420,000 in fiscal year 2017-2018 in general obligation bond funds for water intrusion, roof fall protection, and re-roofing.

Your Committee on Conference also approves \$3,000,000 in fiscal year 2017-2018 in general obligation bond funds for alterations, upgrades, and improvements to judiciary facilities statewide.

Your Committee on Conference finds necessary site improvements are required at the Kapuaiwa Building on Oahu and for these improvements appropriates \$675,000 in fiscal year 2017-2018 in general obligation bond funds for storm drain and sanitary sewer systems.

Your Committee on Conference recognizes a need for enhanced security at Hoapili Hale, Maui. Therefore, your Committee provides \$1,000,000 in fiscal year 2017-2018 and \$1,600,000 in fiscal year 2018-2019 in general obligation bond funds for security improvements at Hoapili Hale, Maui.

Your Committee on Conference finds that the Kaua'i Judiciary Complex is in need of roof work and appropriates \$1,390,000 in fiscal year 2017-2018 in general obligation bond funds to reroof and repair leaks at the Kaua'i Judiciary Complex, Kaua'i.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 469, 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. 469, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 109 on S.B. No. 936

The purpose of this measure is to update the Employees' Retirement System (ERS) laws relating to pension benefits administration. Specifically, this measure:

- (1) Extends the pension benefit adjustment finalization period by one month for those who retire on December 31;
- (2) Changes the interest rate for late benefit finalizations;
- (3) Extends the deadline from one to two fiscal years following retirement for employer payments of additional retirement contributions associated with significant non-base pay increases;
- (4) Allows an entity designated by the ERS Board of Trustees to certify a member's mental or physical incapacity for purposes of determining the member's eligibility for an ordinary disability retirement allowance, service-connected disability benefits, or accidental death benefits; and
- (5) Incrementally increases the rates for employer contributions to the ERS.

Your Committee on Conference finds that this measure serves as a housekeeping measure for the ERS to correct and make consistent finalized benefit adjustment periods, address employer concerns regarding payments for pension "spiking", and improve the efficiency of processing disability and accidental death claims.

Your Committee on Conference has amended this measure by:

- (1) Inserting as the interest rate for late benefit finalizations an amount to be established by the ERS Board of Trustees that shall be not less than the ninety day United States treasury bill rate as of the end of the prior year plus one per cent per year;
- (2) Inserting an effective date of July 1, 2017; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 936, 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. 936, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Johanson, Holt and Matsumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 110 on S.B. No. 207

The purpose of this measure is to:

- (1) Appropriate funds to the Department of Budget and Finance (Department) for collective bargaining cost items related to the transition of affected Maui region hospital employees to employment with Maui Health System, a Kaiser Foundation Hospitals LLC.;
- (2) Authorize the affected employees to purchase credited service to qualify for, or increase the percentage of, the base monthly contributions that the State pays to the Hawaii Employer-Union Health Benefits Trust Fund; and
- (3) Repeal Act 1, Second Special Session, Session Laws of Hawaii 2016 (Act 1), and the chapter it established, chapter 89E, Hawaii Revised Statutes.

Your Committee on Conference finds that Act 103, Session Laws of Hawaii 2015, authorized the Hawaii Health Systems Corporation's Maui regional system to transfer the right and responsibility to manage, operate, and provide health care services in those facilities to a private entity or a nonprofit management entity wholly owned by the private entity. As a result of this enabling legislation, the Maui regional system facilities will be transitioned to management by a Kaiser-Permanente affiliate, and current employees of the system may be displaced as part of the transition.

Your Committee on Conference further finds that the Legislature enacted Act 1, Second Special Session, Session Laws of Hawaii 2016, to authorize the Hawaii Health Systems Corporation to offer a voluntary severance benefit or special retirement benefit to an employee who elects to separate from service when the employee's position is identified for abolishment or when the employee is directly affected by a reduction-in-force or workforce restructuring plan, including privatization; however, the provisions of Act 1 jeopardize the status of the Employees' Retirement System as a tax-qualified plan under the Internal Revenue Code.

Your Committee on Conference has amended this measure by:

- (1) Replacing the language in Part I, which appropriated funds to the Department for collective bargaining cost items related to the transition of affected Maui region hospital employees, with language that authorizes the expenditure of general funds by the Department for a one-time lump sum cash bonus severance benefit to the affected employees;
- (2) Deleting Part II, which authorized the affected employees to purchase credited service to qualify for, or increase the percentage of, the base monthly contributions that the State pays to the Hawaii Employer-Union Health Benefits Trust Fund;
- (3) Deleting the severability clause;
- (4) Inserting an effective date of July 1, 2017; 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. 207, 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. 207, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Gabbard.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Gabbard).

Representatives Johanson, Nishimoto, Holt and Matsumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Holt).

Conf. Com. Rep. 111 on H.B. No. 50

The purpose of this bill is to establish a regulatory framework for appraisal management companies to conform with the minimum regulatory requirements of the Federal Appraisal Management Companies Final Rule and Dodd-Frank Wall Street Reform and Consumer Protection Act.

Specifically, this bill:

- (1) Establishes an Appraisal Management Company Registration Program in the Department of Commerce and Consumer Affairs; and

- (2) Appropriates funds out of the Compliance Resolution Fund to implement the Appraisal Management Company Registration Program.

Your Committee on Conference has amended this bill by:

- (1) Decreasing the nonrefundable application fee to \$60, the biennial registration fee to \$4,200, and the special assessment fee to \$300;
- (2) Appropriating \$140,000 for fiscal year 2017-2018 to implement the Appraisal Management Company Registration Program;
- (3) Changing its effective date to January 1, 2018; provided that the appropriation takes effect on July 1, 2017; 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. 50, 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. 50, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ohno, Takumi, Luke, Woodson and Ward.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 112 on H.B. No. 478

The purpose of this bill is to appropriate funds for agricultural management positions and equipment to support prison farming programs at Kulani Correctional Facility and Waiawa Correctional Facility.

Your Committee on Conference has amended this bill by:

- (1) Appropriating \$50,000 for fiscal year 2017-2018 for the establishment of one full-time equivalent temporary agricultural management position in the Department of Public Safety to manage agricultural operations at Kulani Correctional Facility;
- (2) Removing appropriations for specific equipment items and instead appropriating \$50,000 for fiscal year 2017-2018 for Kulani Correctional Facility agriculture equipment, to be expended at the discretion of the agricultural manager;
- (3) Appropriating \$50,000 for fiscal year 2017-2018 for the establishment of one full-time equivalent temporary agricultural management position in the Department of Public Safety to manage agricultural operations at Waiawa Correctional Facility;
- (4) Removing appropriations for specific equipment items and instead appropriating \$50,000 for fiscal year 2017-2018 for Waiawa Correctional Facility agriculture equipment, to be expended at the discretion of the agricultural manager; and
- (5) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 478, 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. 478, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takayama, LoPresti, Onishi and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 113 on H.B. No. 1436

The purpose of this bill is to appropriate \$75,000 for the Department of Accounting and General Services to update statewide building code standards for hurricane mitigation and secure a reimbursement grant from the Federal Emergency Management Agency Hazard Mitigation Grant Program.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1436, 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. 1436, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takayama, LoPresti, DeCoite, Gates and Thielen.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 114 on H.B. No. 942

The purpose of this measure is to direct the State Foundation on Culture and the Arts to commission an artist to design and build a monument to honor and commemorate Filipino veterans of World War II and to select the location of the monument.

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

- (1) Changing the source of funding for the monument from the general fund to the Works of Art Special Fund established by section 103-8.5, Hawaii Revised Statutes;
- (2) Inserting an appropriation of \$200,000;
- (3) Making the appropriation for fiscal year 2017-2018; and
- (4) Changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 942, 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. 942, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ito, Cullen and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 115 on H.B. No. 1420

The purpose of this measure is to honor Filipino-American veterans of World War II by appropriating moneys for burial grants, which cover funeral and burial costs and transportation of remains to the Philippines, for Filipino-American veterans of World War II.

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

- (1) Inserting an appropriation amount of \$50,000;
- (2) Making the appropriation for only fiscal year 2017-2018;
- (3) Requiring the appropriation to be matched on a one-to-one basis with private funds;
- (4) Changing the effective date to July 1, 2017; 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. 1420, 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. 1420, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 116 on H.B. No. 451

The purpose of this measure is to reduce the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one-quarter to one thirty-second.

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. 451, 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. 451, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Shimabukuro, Keith-Agaran and Galuteria.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 117 on H.B. No. 144

The purpose of this measure is to protect the health and safety of persons and property in the State by reauthorizing an appropriation that is scheduled to lapse on June 30, 2017, for the mitigation of hazardous situations statewide.

Your Committee on Conference has amended this measure by:

- (1) Inserting the encumbered amount and the amount that is scheduled to lapse on June 30, 2017;
- (2) Inserting an appropriation amount of \$536,177; and
- (3) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 144, 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. 144, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Cullen and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 118 on H.B. No. 471

The purpose of this measure is to promote the judicious use of moneys in the Emergency and Budget Reserve Fund (Fund) by prohibiting the Legislature from appropriating from the Fund:

- (1) More than 50 percent of the balance of the Fund in a single fiscal year;
- (2) To expend for discretionary costs in a fiscal year, an amount that exceeds 10 percent of the total discretionary funds appropriated by the Legislature for the same fiscal year; and
- (3) For a succeeding fiscal year, unless the current fiscal year's tax collection is less than the collection for the previous fiscal year.

Your Committee on Conference has amended this measure by:

- (1) Including other costs, as determined by the Legislature, in the definition of "non-discretionary funds"; 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. 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 Tokuda, English and Riviere.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Luke, Cachola and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 119 on H.B. No. 1414

The purpose of this measure is to require, and appropriate funds for, the Auditor to execute a contract with a contractor to investigate the tax system modernization project of the Department of Taxation.

Your Committee on Conference has amended this measure by changing the appropriation amount to \$150,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1414, 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. 1414, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Choy and Tupola.

Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 120 on H.B. No. 523

The purpose of this measure is to require the provision and maintenance of onsite methods for the collection of recyclable materials at buildings and facilities managed, maintained, or serviced by the Department of Accounting and General Services (Department). This measure also appropriates funds for the collection of recyclable materials.

Your Committee on Conference has amended this measure by:

- (1) Allowing the Department to establish a recycling pilot program for the collection of recyclable materials at buildings and facilities managed, maintained, or serviced by the Department;
- (2) Requiring the Department to submit a report to the Legislature regarding the implementation of the recycling pilot program;
- (3) Appropriating \$200,000 for fiscal year 2017-2018 for the implementation of the recycling pilot program; 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. 523, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 523, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives LoPresti, Kong and Tupola.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 121 on H.B. No. 209

The purpose of this measure is to amend the State's income tax law by:

- (1) Establishing a state earned income tax credit based on a percentage of the federal earned income tax credit;
- (2) Changing income tax rates for taxable years after December 31, 2016;
- (3) Repealing the sunset date for amendments made to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015; and
- (4) Appropriating funds to the Department of Taxation for certain tax preparation assistance outreach programs.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the state earned income tax credit shall:
 - (A) Be 20 percent of the federal earned income tax credit;
 - (B) Be nonrefundable; and
 - (C) Not apply to taxable years beginning after December 31, 2022;
- (2) Defining "qualifying individual taxpayer;"
- (3) Clarifying the disallowance period for the state earned income tax credit;
- (4) Changing the income tax rates for taxable years beginning after December 31, 2017;
- (5) Removing the appropriation to the Department of Taxation;
- (6) Changing the effective date to upon its approval; 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. 209, 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. 209, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Johanson and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 122 on H.B. No. 428

The purpose of this measure is to allow the John A. Burns School of Medicine to continue to receive a portion of the physician workforce assessment fee for ongoing physician workforce assessment and planning to support the recruitment and retention of physicians in the State, particularly those in rural and medically underserved areas.

Your Committee on Conference has amended this measure by changing its effective date to June 29, 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 H.B. No. 428, 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. 428, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kahele, Baker and Taniguchi.

Managers on the part of the Senate.

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

Representatives McKelvey, Quinlan and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 123 on H.B. No. 1115

The purpose of this measure is to update procedures related to hearings of the Hawaii Labor Relations Board by authorizing the delivery of notice of hearing by electronic service and specifying responsibility for the cost of preparing the transcript on appeal for the purpose of judicial review.

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. 1115, 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. 1115, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Taniguchi and Kim.

Managers on the part of the Senate.

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

Representatives Holt, San Buenaventura, Tokioka, Nakashima and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 124 on H.B. No. 530

The purpose of this measure is to modernize the Downpayment Loan Program under the Hawaii Housing Finance and Development Corporation (HHFDC).

Specifically, this measure:

- (1) Changes the name of the Downpayment Loan Program to the Downpayment Loan Assistance Program (Program);
- (2) Authorizes HHFDC to establish, revise, charge, and collect fees, premiums, and charges for the Program;
- (3) Changes the maximum amount of downpayment loans available to borrowers and the chargeable interest rate on loans under the Program;
- (4) Changes the downpayment amount a borrower must provide to qualify for a downpayment loan under the Program;
- (5) Authorizes HHFDC to secure the services of nonprofit organizations to originate the downpayment loans under the Program; and
- (6) Requires borrowers to successfully complete a homeownership counseling program provided by a United States Department of Housing and Urban Development-approved housing counseling agency.

Your Committee on Conference recognizes that besides financial and economic benefits to communities, homeownership also brings substantial societal benefits. Updating and expanding HHFDC's Program will help make homeownership more affordable and achievable for households in the State.

Your Committee on Conference has amended this measure by:

- (1) Specifying loan and eligibility terms as follows:
 - (A) Setting the maximum loan amount at the lesser of 15 percent of the purchase price or appraised value of the property or \$60,000;
 - (B) Providing that the loan amount and purchase money mortgage amount shall not exceed 100 percent of combined loan-to-value;
 - (C) Setting chargeable interest rates at one percent to eight percent; and

- (D) Requiring borrowers to provide a downpayment amount equal to at least five percent of the sales price;
- (2) Changing its effective date to July 1, 2017; 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. 530, 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. 530, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Brower, Nakamura and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 125 on H.B. No. 453

The purpose of this measure is to:

- (1) Establish the Food Safety Certification Costs Grant Program (“Program”) in the Department of Agriculture to provide grants to farmers to assist them in meeting the costs of compliance with the Federal Food and Drug Administration Food Safety Modernization Act, United States Food and Drug Administration regulations, and state food-safety laws; and
- (2) Appropriate funds for fiscal year 2017-2018 to implement the Program.

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

- (1) Appropriating \$500,000 for the Program; 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. 453, 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. 453, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Creagan, DeCoite, LoPresti and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 126 on H.B. No. 235

The purpose of this measure is to address the coverage of acupuncture treatments provided under motor vehicle insurance.

Specifically, this measure:

- (1) Clarifies that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance shall be tied to the charges, and subsequent increases in charges, permissible under the Workers’ Compensation Supplemental Medical Fee Schedule; and
- (2) Clarifies that the 30-visit limit for acupuncture treatments allowed under personal injury protection benefits shall be counted separately from the 30-visit limit for naturopathic and chiropractic visits.

Your Committee on Conference has amended this measure by:

- (1) Retaining the existing 30-visit limit for naturopathic, chiropractic, and acupuncture treatments;
- (2) Changing its effective date to July 1, 2017; 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. 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 Baker, English and Ruderman.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Takumi, Belatti, Luke, Kobayashi and Ward.

Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Ward).

Conf. Com. Rep. 127 on H.B. No. 83

The purpose of this measure is to:

- (1) Require the Hawaii Interagency Council on Homelessness, in conjunction with and with the advisement of the Department of Human Services and Department of Land and Natural Resources, to establish a working group to examine and develop recommendations related to the establishment of safe zones for persons experiencing homelessness;
- (2) Require the working group to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the 2018 Regular Session; and
- (3) Appropriate funds for each year of the 2017-2019 fiscal biennium to support the activities of the working group.

Your Committee on Conference notes that this is but one of several housing alternatives that policymakers, in conjunction with communities in the State, are exploring to address homelessness in Hawaii. Establishment of a working group to examine and develop recommendations regarding the establishment of safe zones for the homeless population will support policymaking and other community efforts to support homeless individuals and families.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$25,000 for fiscal year 2017-2018 to support the activities of the working group;
- (2) Changing its effective date to July 1, 2017; 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. 83, 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. 83, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Keith-Agaran, Chang, Espero and Shimabukuro.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Morikawa, Gates, Todd and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Tupola).

Conf. Com. Rep. 128 on H.B. No. 615

The purpose of this measure is to appropriate funds for the Healthy Aging Partnership Program to further its important role in improving the health and well-being of Hawaii's kupuna.

Since its formation in 2003, the Healthy Aging Partnership Program has supported the health status of older adults through evidence-based health promotion programs and disease prevention programs, thus empowering participants to make healthy decisions and engage in healthier lifestyles. Funding for the Healthy Aging Partnership Program will enable it to continue providing services and programs to the State's diverse aging population.

Your Committee on Conference has amended this measure by:

- (1) Making the appropriation applicable to one fiscal year;
- (2) Inserting the appropriation amount of \$500,000 for fiscal year 2017-2018 for the Healthy Aging Partnership Program;
- (3) Changing its effective date to July 1, 2017; and
- (4) Making a technical, nonsubstantive amendment 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. 615, 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. 615, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Morikawa, Belatti, Cullen, Takayama and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Belatti, Tupola).

Conf. Com. Rep. 129 on H.B. No. 607

The purpose of this measure is to improve the care of elderly persons in the State.

Specifically, this measure:

- (1) Requires the Executive Office on Aging to establish the Kupuna Caregivers Program;
- (2) Mandates the establishment of the Kupuna Care Program and clarifies which kupuna services and supports are to be provided by area agencies within the Kupuna Care Program; and
- (3) Appropriates funds for each year of the 2017-2019 fiscal biennium for the establishment and implementation of the Kupuna Caregivers Program.

Family caregivers are central to the nation's long-term care and health systems. Caregivers play an invaluable role in our communities by providing vital services and care for a rapidly-growing elderly population. Your Committee on Conference recognizes the significant role and responsibilities of caregivers in helping others, as well as the demands placed on them. This measure would provide caregivers respite from the demands of caregiving and the necessary supports and services to sustain their own health.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the Executive Office on Aging to establish the Kupuna Caregivers Program;
- (2) Retaining the flexibility of the Executive Office on Aging to establish the Kupuna Care Program, rather than mandating its establishment;
- (3) Clarifying which kupuna services and supports under the Kupuna Care Program shall be provided by area agencies on aging;
- (4) Deleting the definition of "adult day health";
- (5) Amending the definitions of "adult day care", "care recipient", and "respite care";
- (6) Changing the term "homemaker" to "homemaker services";
- (7) Defining "service provider";
- (8) Specifying that the written individualized person-centered support plan under the Kupuna Care Program is to be developed with the assistance of a coach in preparing the plan;
- (9) Broadening the award of funds covering the costs for services under the Kupuna Caregivers Program to include home-delivered meals;
- (10) Providing that termination of kupuna care services may occur if a care recipient is placed or resides in a long-term care facility, such as an intermediate care facility, assisted living facility, skilled nursing facility, hospital, community care foster care home, foster family home, adult residential care home, or expanded adult residential care home;
- (11) Appropriating \$600,000 for fiscal year 2017-2018 for the Kupuna Caregivers Program;
- (12) Changing its effective date to July 1, 2017; and
- (13) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 607, 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. 607, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Green, Tokuda, Chang and Ihara.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Morikawa, Cullen, Har, Kobayashi, Takayama and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Har, Tupola).

Conf. Com. Rep. 130 on H.B. No. 552

The purpose of this measure is to protect Hawaii, its residents, and its health care system from the adverse effects of the impending potential repeal by Congress of the federal Patient Protection and Affordable Care Act by codifying the following key portions of that Act in state law, to become effective upon repeal of the federal law pursuant to an act of Congress:

- (1) The individual mandate, which requires each state resident to maintain minimum essential health insurance coverage or face a tax penalty for noncompliance and provides for premium cost assistance for qualifying individuals;
- (2) Expanded eligibility criteria and minimum essential benefits requirements for Medicaid coverage;
- (3) Requirements for essential health care benefits applicable to all health insurance policies issued in the State;
- (4) Extension of eligibility for dependent coverage under a parent's health insurance through age twenty-six; and
- (5) Prohibitions on denial of health insurance coverage due to preexisting conditions and on gender-based discrimination in health insurance costs.

This measure also establishes an Affordable Health Insurance Working Group to address the complexities of the State's health care system and the related uncertainty over the future of the Affordable Care Act.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have codified key provisions of the federal Affordable Care Act in state law;
- (2) Clarifying the issues for which the Working Group is tasked with considering and making policy recommendations;
- (3) Changing its effective date to July 1, 2017; 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 H.B. No. 552, 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. 552, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 131 on H.B. No. 1244

The purpose of this measure is to eliminate a major source of water pollution in the State by requiring that all cesspools in the State be upgraded or converted into more environmentally-friendly waste treatment systems or connected to a sewer system before January 1, 2050. This measure also provides cost assistance to homeowners by establishing and funding a compliance grant program.

Your Committee on Conference has amended this measure by:

- (1) Deleting language establishing and appropriating funds for the compliance grant program and instead providing financial assistance to homeowners through expanded eligibility criteria for the State's existing income tax credit for cesspool upgrade, conversion, or connection;
- (2) Inserting language requiring the Department of Health to investigate the impact of existing cesspools on public health and to make recommendations, in collaboration with the Department of Taxation, on the feasibility of instituting a grant program to assist low-income homeowners in complying with the mandate for upgrade, conversion, or connection;
- (3) Changing its effective date to July 1, 2017; and
- (4) 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 H.B. No. 1244, 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. 1244, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Gabbard, English, Nishihara and Riviere.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, 2 (English, Nishihara).

Representatives Belatti, Lee, Keohokalole, Lowen and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (Keohokalole, Lowen).

Conf. Com. Rep. 132 on H.B. No. 186

The purpose of this measure is to support ongoing efforts to control the coffee berry borer infestation in Hawaii's coffee crops by appropriating funds for, and extending by two years the sunset date of, the pesticide subsidy program established under Act 105, Session Laws of Hawaii 2014.

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

- (1) Removing the appropriation; 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. 186, 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. 186, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 133 on H.B. No. 571

The purpose of this measure is to appropriate funds for the University of Hawaii Sea Grant College Program to:

- (1) Develop a communication strategy and outreach plan for emergency management and disaster preparedness;
- (2) Update and publish the fourth edition of the *Homeowner's Handbook to Prepare for Natural Hazards*; and
- (3) Conduct a systematic and targeted education and outreach initiative throughout the State for emergency management and disaster preparedness.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$200,000 for each year of fiscal biennium 2017-2019 to the University of Hawaii Sea Grant College Program for the purposes of this measure; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 571, 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. 571, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kahele, Thielen and Riviere.

Managers on the part of the Senate.

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

Representatives McKelvey, Quinlan and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 134 on H.B. No. 1114

The purpose of this measure is to achieve compliance with the federal Occupational Safety and Health Administration (OSHA) requirement that state-level standards and enforcement be at least as effective as OSHA standards and enforcement.

More specifically, this measure:

- (1) Increases the monetary penalties for violations of the Hawaii Occupational Safety and Health Law or any standard or rule adopted thereunder; and
- (2) Requires the Director of Labor and Industrial Relations to:
 - (A) Adjust the penalties each year as required by federal law; and
 - (B) Report to the Legislature annually on the penalty adjustments.

Your Committee on Conference has amended this measure by:

- (1) Increasing the penalty amounts; and
- (2) Changing its effective date to January 1, 2018.

As affirmed by the record of votes of the managers 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. 1114, 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. 1114, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Taniguchi and Rhoads.

Managers on the part of the Senate.

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

Representatives Johanson, Holt and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 135 on H.B. No. 100**PART I. OVERVIEW**

Your Committee on Conference has approved a Conference Draft of the executive budget that reduces the operating budget request submitted by the Administration. The Conference Draft appropriates \$408,279,449 in all funds, inclusive of \$211,883,004 in general funds, for fiscal year 2017-2018 and appropriates an additional \$606,570,295 in all funds, inclusive of \$385,025,333 in general funds, for fiscal year 2018-2019.

The following table displays the net change to the Administration's budget request as a result of the Conference Draft amendments:

	Fiscal Year 2017-2018		Fiscal Year 2018-2019	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Request, as amended per Governor's Messages	\$458,337,625	\$252,025,122	\$675,599,421	\$490,218,824
Conference Draft Change To Executive Request	(\$50,058,176)	(\$40,142,118)	(\$69,029,126)	(\$105,193,491)

The net change of the Conference Draft results in an executive budget for fiscal biennium 2017-2019 as follows:

	Fiscal Year 2017-2018		Fiscal Year 2018-2019	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Budget Act 124, SLH 2016	\$13,702,289,565	\$7,036,572,289	\$13,702,289,565	\$7,036,572,289
Net Change Of Conference Draft	\$408,279,449	\$211,883,004	\$606,570,295	\$385,025,333
Total Appropriation	\$14,110,569,014	\$7,248,455,293	\$14,308,859,860	\$7,421,597,622

PART II. OPERATING BUDGET

Agriculture

The Administration's request was to add \$6,407,047 in general funds and \$2,666,977 in non-general funds for fiscal year 2017-2018 and reduce \$985,133 in general funds and add \$1,099,450 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Agriculture's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,821,083 in general funds and \$572,053 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$176,529 in general funds and adding \$490,699 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,500,000 in general funds for fiscal year 2017-2018 for the Agricultural Loan Revolving Fund;
- (2) Adding 2.00 permanent positions and \$226,134 for fiscal year 2017-2018 and 3.00 positions and \$200,000 for fiscal year 2018-2019 in general funds for the Agricultural Food Safety Certification Program;
- (3) Adding 1.00 permanent position and \$115,772 in general funds for each fiscal year for the Industrial Hemp Pilot Program;
- (4) Adding 3.00 permanent positions and \$79,236 for fiscal year 2017-2018 and \$158,472 for fiscal year 2018-2019 in general funds for pesticides compliance; and
- (5) Adding \$750,000 in general funds for each fiscal year, non-recurring after fiscal year 2018-2019, for pesticide regulation expenses and studies.

Accounting and General Services

The Administration's request was to add \$125,438 in general funds and reduce \$14,809,085 in non-general funds for fiscal year 2017-2018 and reduce \$130,829 in general funds and \$19,034,085 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Accounting and General Services' appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$4,216,030 in general funds and \$14,941,251 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$4,051,133 in general funds and \$22,741,251 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 1.00 permanent position and \$39,000 for fiscal year 2017-2018 and \$77,000 for fiscal year 2018-2019 in general funds for contract audits;
- (2) Adding \$3,175,000 in general funds for each fiscal year for carrier circuit and collocation costs;
- (3) Adding \$7,800,000 in special funds for fiscal year 2017-2018 for enhanced 911 board computer aided dispatch software upgrades; and
- (4) Changing means of financing for 5.00 permanent positions and \$505,585 from trust funds to general funds for each fiscal year for the Campaign Spending Commission.

Attorney General

The Administration's request was to add \$2,691,320 in general funds and \$3,225,998 in non-general funds for fiscal year 2017-2018 and \$2,641,320 in general funds and \$3,191,474 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of the Attorney General's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$4,554,256 in general funds and \$3,170,721 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$885,744 in general funds and adding \$2,995,197 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$5,000,000 in general funds for fiscal year 2017-2018 for the Litigation Fund; and
- (2) Adding \$70,000 in special funds for each fiscal year for the maintenance of internet based registration systems and charity registration databases.

Business, Economic Development, and Tourism

The Administration's request was to add \$3,581,055 in general funds and reduce \$58,568,838 in non-general funds for fiscal year 2017-2018 and reduce \$1,257,489 in general funds and \$114,362,838 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Business, Economic Development, and Tourism's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$2,257,871 in general funds and reducing \$71,798,303 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$3,285,041 in general funds and \$71,254,303 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 1.00 permanent position and \$25,386 for fiscal year 2017-2018 and \$50,772 for fiscal year 2018-2019 in general funds for compliance with decisions and orders of the Land Use Commission;
- (2) Adding \$250,000 in general funds for fiscal year 2017-2018 for a feasibility and benefits study for establishing a small satellite launch and processing facility in the State;
- (3) Adding \$200,000 in general funds for fiscal year 2017-2018 for a market assessment and feasibility study for the development of a basalt fiber manufacturing plant in Hawaii;
- (4) Adding 1.00 permanent position and \$28,584 for fiscal year 2017-2018 and \$57,168 for fiscal year 2018-2019 in general funds for economic research;
- (5) Adding \$1,000,000 in general funds for fiscal year 2017-2018 for the Excelsior Program;
- (6) Adding \$1,000,000 in general funds for fiscal year 2017-2018 for the Manufacturing Grant Program;
- (7) Adding \$1,000,000 in general funds for fiscal year 2017-2018 for the Small Business Innovation Research program; and
- (8) Adding 1.00 temporary position and \$27,618 for fiscal year 2017-2018 and \$55,236 for fiscal year 2018-2019 in general funds for the Special Action Team on Affordable Rental Housing.

Budget and Finance

The Administration's request was to add \$14,473,467 in general funds and reduce \$3,554,111 in non-general funds for fiscal year 2017-2018 and add \$237,814,627 in general funds and reduce \$6,722,045 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Budget and Finance's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$22,559,283 in general funds and reducing \$5,497,574 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$245,877,127 in general funds and reducing \$6,639,018 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$34,625,428 for fiscal year 2017-2018 and \$70,673,178 for fiscal year 2018-2019 in general funds for additional retirement benefit payments funding for the State to reflect phase-in of employer contribution rate increases;
- (2) Adding 1.00 permanent position and \$28,116 for fiscal year 2017-2018 and \$51,432 for fiscal year 2018-2019 in general funds for the Administrative and Research Office's information and technology staff;
- (3) Adding \$9,700,000 in general funds for each fiscal year for statewide centralized vacation payout;
- (4) Adding \$238,200 for fiscal year 2017-2018 and \$13,200 for fiscal year 2018-2019 in other funds for personally identifiable information protection;
- (5) Adding 3.00 permanent positions and \$445,768 in general funds for each fiscal year for the Community Court Outreach Project; and
- (6) Adding \$30,637,298 in general funds for fiscal year 2017-2018 for severance pay and social security and Medicare payments for employees to be separated from state employment due to the upcoming transfer of the Hawaii Health Systems Corporation's Maui Region to Kaiser Permanente management.

Commerce and Consumer Affairs

The Administration's request was to add \$7,577,865 in non-general funds for fiscal year 2017-2018 and \$6,007,392 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Commerce and Consumer Affairs' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$3,697,257 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$3,147,780 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 1.00 temporary position and \$51,000 for fiscal year 2017-2018 and \$84,000 for fiscal year 2018-2019 in trust funds for condominium education; and
- (2) Adding \$200,000 in special funds for fiscal year 2017-2018 for consultant services and training.

Defense

The Administration's request was to reduce \$1,035,255 in general funds and \$1,583,563 in non-general funds for fiscal year 2017-2018 and \$1,557,728 in general funds and \$1,503,563 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Defense's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$749,615 in general funds and adding \$415,537 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,877,614 in general funds and \$1,343,563 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$90,000 in general funds for each fiscal year for State Active Duty continuing operations;
- (2) Adding 1.00 permanent position and \$50,772 in general funds for each fiscal year for a Veteran Services Counselor;
- (3) Adding \$325,000 in general funds for fiscal year 2017-2018 for a Diamond Head Sewer Lift Station Emergency Generator;
- (4) Adding \$768,000 in general funds for fiscal year 2017-2018 for tree trimming and removal services at Hawaii State Veterans Cemetery; and
- (5) Adding 1.00 permanent positions and \$27,556 for fiscal year 2017-2018 and \$54,112 for fiscal year 2018-2019 in general funds for heating, ventilation, and air conditioning maintenance.

Education

Regular Education

The Administration's request was to add \$64,287,540 in general funds and \$2,867,548 in non-general funds for fiscal year 2017-2018 and \$65,848,291 in general funds and \$2,867,548 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Education's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$55,120,221 in general funds and \$6,606,548 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$50,192,377 in general funds and \$3,806,548 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,000,000 in general funds for each fiscal year for the Early College High School Initiative;
- (2) Adding \$2,027,645 in general funds for fiscal year 2017-2018 for the Office of Hawaiian Education;
- (3) Adding \$2,800,000 in general funds and \$2,800,000 in federal funds for fiscal year 2017-2018 for the Hawaii Keiki Healthy and Ready to Learn Program;
- (3) Adding 15.00 permanent positions and \$703,980 in general funds for each fiscal year for Homeless Concerns Liaisons;
- (4) Adding 6.00 permanent positions and \$135,216 for fiscal year 2017-2018 and \$270,432 for fiscal year 2018-2019 in general funds for the Worker's Compensation Program;
- (5) Adding \$293,557 in general funds for fiscal year 2017-2018 for the Office of Community Engagement;
- (6) Adding \$670,000 in general funds for fiscal year 2017-2018 for Alternative Teacher Route Programs;
- (7) Adding 15.00 permanent positions and \$779,310 for fiscal year 2017-2018 and \$1,434,885 for fiscal year 2018-2019 in general funds for Title IX and Civil Rights Compliance Capacity;
- (8) Adding \$100,000 in general funds for fiscal year 2017-2018 for athletic travel to and from Molokai and Hana;
- (9) Adding \$800,000 in general funds for each fiscal year for environmental health services;
- (10) Adding 4.00 permanent positions and \$1,755,525 for fiscal year 2017-2018 and \$3,711,835 for fiscal year 2018-2019 in general funds for statewide student transportation services; and
- (11) Adding \$1,500,000 in general funds for each fiscal year for utilities.

Hawaii State Public Library System

The Administration's request was to add \$1,295,169 in general funds for fiscal year 2017-2018 and add \$1,480,317 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Hawaii State Libraries' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,664,613 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,215,205 in general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 3.00 permanent positions and \$50,592 for fiscal year 2017-2018 and \$101,184 for fiscal year 2018-2019 in general funds for Nanakuli Public Library; and
- (2) Adding \$500,000 in general funds for fiscal year 2017-2018 for the repair and maintenance backlog for public libraries statewide.

Charter Schools

The Administration's request was to add \$11,336,693 in general funds and \$303,150 in federal funds for fiscal year 2017-2018 and add \$11,419,807 in general funds and \$303,150 in federal funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Charter Schools' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$10,813,540 in general funds and \$303,150 in federal funds; and
- (2) For fiscal year 2018-2019, by adding \$11,684,877 in general funds and \$303,150 in federal funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$9,797,069 for fiscal year 2017-2018 and \$10,668,406 for fiscal year 2018-2019 in general funds for per pupil adjustment.

Early Learning Program

The Administration's request was to add \$89,486 in general funds for fiscal year 2017-2018 and add \$118,070 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Early Learning Program's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$230,414 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$679,152 in general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 2.00 permanent positions and \$53,733 for fiscal year 2017-2018 and \$82,317 for fiscal year 2018-2019 in general funds for the Executive Office on Early Learning; and
- (2) Adding \$136,688 for fiscal year 2017-2018 and 10.00 permanent positions and \$556,842 for fiscal year 2018-2019 in general funds for the Pre-Kindergarten and Induction Program.

Governor

The Administration's request was to add \$184,035 in general funds for fiscal year 2017-2018 and \$184,035 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Office of the Governor's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$354,070 in general funds; and
- (2) For fiscal year 2018-2019, by reducing \$354,070 in general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$117,167 in general funds for each fiscal year for membership fees for national and regional chief executive organizations.

Hawaiian Home Lands

The Administration's request was to add \$1,195,390 in general funds and reduce \$31,484,159 in non-general funds for fiscal year 2017-2018 and to add \$1,195,390 in general funds and reduce \$31,484,159 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Hawaiian Home Lands' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,195,390 in general funds and reducing \$5,743,625 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,195,390 in general funds and reducing \$5,743,625 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$6,865,887 in general funds for each fiscal year for fringe benefit funding for the Department of Hawaiian Home Lands' general funded positions.

Health

The Administration's request was to add \$22,123,885 in general funds and \$52,363,112 in non-general funds for fiscal year 2017-2018 and \$25,041,849 in general funds and \$8,296,893 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Health's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$21,608,232 in general funds and \$52,473,444 in non-general funds; and

- (2) For fiscal year 2018-2019, by adding \$15,442,557 in general funds and \$8,407,225 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$1,300,000 for fiscal year 2017-2018 and \$500,000 for fiscal year 2018-2019 in general funds for outreach and counseling services for homeless individuals and families with serious and persistent mental health challenges or severe substance abuse disorders;
- (2) Adding \$300,000 in general funds for each fiscal year for clean and sober housing for chronically homeless individuals with severe substance use disorders;
- (3) Adding \$1,340,000 for fiscal year 2017-2018 and \$1,613,000 for fiscal year 2018-2019 in general funds for purchase of service contracts for Child and Adolescent Mental Health;
- (4) Adding \$2,754,980 for fiscal year 2017-2018 and \$7,118,914 for fiscal year 2018-2019 in general funds for rebased provider payment rates;
- (5) Adding \$3,000,000 in general funds for each fiscal year for maintenance of effort for the maternal infant early childhood home visiting grant;
- (6) Adding \$6,507,305 in general funds for each fiscal year for base budget funding for Chronic Disease Prevention and Health Promotion Administration, Primary Prevention, and Chronic Disease Management per funding in Act 118, SLH 2015;
- (7) Adding 6.00 permanent positions and \$422,540 in general funds for each fiscal year for vector control;
- (8) Adding \$500,000 in general funds for each fiscal year to address Rat Lungworm Disease;
- (9) Adding \$799,833 in general funds for fiscal year 2017-2018 for statewide emergency ambulance services;
- (10) Adding \$4,145,695 in general funds for fiscal year 2017-2018 for Kupuna Care; and
- (11) Adding \$1,700,000 in general funds for fiscal year 2017-2018 for the Aging and Disability Resource Center.

Hawaii Health Systems Corporation

The Administration's request was to add \$44,409,003 in general funds and \$23,459,087 in special funds for fiscal year 2017-2018 and \$28,029,003 in general funds and \$23,459,087 in special funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Hawaii Health Systems Corporation's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$28,681,003 in general funds and \$23,459,087 in special funds; and
- (2) For fiscal year 2018-2019, by reducing \$9,938,997 in general funds and adding \$23,459,087 in special funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$36,486,000 for fiscal year 2017-2018 and \$34,686,000 for fiscal year 2018-2019 in general funds for operations subsidy;
- (2) Adding \$3,000,000 in general funds for fiscal year 2017-2018 for Hawaii Health Systems Corporation – Regions or Maui Health System, a Kaiser Foundation Hospitals LLC; and
- (3) Adding \$33,420,000 in general funds for fiscal year 2017-2018 for operations subsidy.

Human Resources Development

The Administration's request was to add \$2,052,292 in general funds for fiscal year 2017-2018 and \$2,302,292 in general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Human Resources Development's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$2,052,292 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$2,201,212 in general funds.

The Conference Draft of the executive budget includes the following major adjustment:

- (1) Adding \$3,274,000 for fiscal year 2017-2018 and \$3,524,000 for fiscal year 2018-2019 in general funds for workers' compensation claims.

Human Services

The Administration's request was to add \$25,596,723 in general funds and \$157,393,373 in non-general funds for fiscal year 2017-2018 and \$66,440,270 in general funds and \$276,330,208 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Human Services' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$7,122,833 in general funds and \$147,622,055 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$28,361,291 in general funds and \$253,920,541 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$3,000,000 in general funds for fiscal year 2017-2018 for the Housing First Program;

- (2) Adding \$1,500,000 in general funds for fiscal year 2017-2018 for homeless outreach services;
- (3) Adding \$250,000 in general funds for fiscal year 2017-2018 for legal services for homeless persons;
- (4) Adding \$2,100,000 in general funds for each fiscal year for Hawaii Public Housing Authority state family and elderly housing facilities;
- (5) Adding \$1,553,559 in general funds and \$2,309,090 in federal funds for each fiscal year for the nursing facility inflation factor; and
- (6) Adding \$240,000 in general funds for fiscal year 2017-2018 for juvenile justice and delinquency prevention.

Labor and Industrial Relations

The Administration's request was to reduce \$2,753,210 in general funds and \$19,987 in non-general funds for fiscal year 2017-2018 and to reduce \$376,494 in general funds and to add \$45,604 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Labor and Industrial Relations' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$105,985 in general funds and reducing \$19,987 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$765,821 in general funds and \$45,604 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$750,000 in general funds for each fiscal year to support workforce advisory councils;
- (2) Adding \$450,000 in general funds for each fiscal year for transition to the federal Workforce Innovation Opportunity Act; and
- (3) Adding 1.00 permanent position and \$515,386 for fiscal year 2017-2018 and \$2,810,772 for fiscal year 2018-2019 in general funds for Disability Compensation Division Modernization.

Land and Natural Resources

The Administration's request was to add \$21,234,212 in general funds and \$16,036,430 in non-general funds for fiscal year 2017-2018 and \$20,766,112 in general funds and \$1,891,237 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Land and Natural Resources' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$22,827,227 in general funds and \$12,279,060 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$21,505,253 in general funds and \$362,117 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$14,049,108 in general funds for each fiscal year for various programs' base budgets per funding in Act 84, Session Laws of Hawaii 2015;
- (2) Adding 15.00 temporary positions and \$1,065,147 for fiscal year 2017-2018 and \$1,097,047 for fiscal year 2018-2019 in general funds for personnel and operating funds for management and restoration of Kahoolawe Island Reserve;
- (3) Adding \$4,000,000 in general funds for each fiscal year for the Hawaii Invasive Species Council; and
- (4) Adding \$400,000 in general funds for each fiscal year for the fire protection program.

Public Safety

The Administration's request was to add \$7,265,245 in general funds and \$1,292,671 in non-general funds for fiscal year 2017-2018 and \$4,201,373 in general funds and \$1,292,671 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Public Safety's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$6,592,410 in general funds and \$1,292,671 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,518,800 in general funds and \$1,292,671 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$3,334,801 in general funds for fiscal year 2017-2018 for housing inmates in non-state facility during renovation of Halawa Correctional Facility;
- (2) Adding \$165,000 in general funds for each fiscal year for Malpractice Insurance; and
- (3) Adding \$1,500,000 in general funds for fiscal year 2017-2018 for lease rent for Department of Public Safety Administration building and moving costs.

Taxation

The Administration's request was to add \$648,279 in general funds and \$3,572 in non-general funds for fiscal year 2017-2018 and \$523,279 in general funds and \$3,572 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Taxation's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$393,819 in general funds and adding \$3,572 in non-general funds; and

(2) For fiscal year 2018-2019, by reducing \$518,819 in general funds and adding \$3,572 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustment:

(1) Adding \$93,860 in general funds for each fiscal year for security for medical marijuana tax collections.

Transportation

The Administration's request was to reduce \$500,000 in general funds and \$43,904,674 in non-general funds for fiscal year 2017-2018 and reduce \$500,000 in general funds and add \$28,461,212 in non-general funds for fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the Department of Transportation's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$500,000 in general funds and \$37,264,241 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,500,000 in general funds and adding \$25,794,742 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding 7.00 permanent positions and \$157,939 for fiscal year 2017-2018 and \$303,878 for fiscal year 2018-2019 in special funds for Airside Operations Section Security Unit Pass and Identification Office;
- (2) Adding 13.00 permanent positions and \$684,787 for fiscal year 2017-2018 and \$1,369,574 for fiscal year 2018-2019 in special funds for Aircraft Rescue and Fire Fighting Unit;
- (3) Adding 6.00 permanent positions and \$162,752 for fiscal year 2017-2018 and \$293,004 for fiscal year 2018-2019 in special funds for the Federal Inspection Station;
- (4) Adding 2.00 permanent positions and \$97,161 for fiscal year 2017-2018 and \$194,322 for fiscal year 2018-2019 in special funds for the Office of Environmental Compliance;
- (5) Adding 2.00 permanent positions and \$101,809 for fiscal year 2017-2018 and \$203,618 for fiscal year 2018-2019 in special funds for the H-3 Tunnel Management Center;
- (6) Adding 10.00 permanent positions and \$679,152 in special funds for fiscal year 2017-2018 and \$1,243,998 in special funds and \$216,000 in federal funds for fiscal year 2018-2019 for the Intelligent Technology Systems Branch;
- (7) Adding \$800,000 in special funds for fiscal year 2018-2019 for trash reduction plan implementation; and
- (8) Adding \$3,514,950 for fiscal year 2017-2018 and \$1,242,000 for fiscal year 2018-2019 in special funds for information technology projects.

University of Hawaii

The Administration's request was to add \$42,558,733 in general funds and \$5,540,939 in non-general funds for fiscal year 2017-2018 and fiscal year 2018-2019.

The Conference Draft of the executive budget adjusts the University of Hawaii's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$42,176,529 in general funds and \$5,540,939 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$42,131,529 in general funds and \$5,540,939 in non-general funds.

The Conference Draft of the executive budget includes the following major adjustments:

- (1) Adding \$350,000 in general funds for each fiscal year for concussion testing and awareness;
- (2) Adding \$1,829,000 in general funds for each fiscal year for the Hawaii Promise Program;
- (3) Adding \$250,000 in general funds for each fiscal year for Title IX positions;
- (4) Adding 2.00 permanent positions and \$150,000 in general funds for each fiscal year for Title IX compliance for the University of Hawaii, Hilo;
- (5) Adding 4.00 permanent positions and \$820,000 in general funds for each fiscal year for Title IX compliance for the University of Hawaii Community Colleges;
- (6) Adding 1.00 permanent position and \$70,000 in general funds for each fiscal year for Title IX compliance for the University of Hawaii, West Oahu; and
- (7) Adding 2.00 permanent positions and \$375,000 in general funds for each fiscal year for University of Hawaii systemwide Title IX legal support.

PART III. CAPITAL IMPROVEMENT PROJECTS BUDGET

Your Committee on Conference finds that capital improvement projects are essential to our economy and play a pivotal role in building social infrastructure and helping strengthen communities.

Your Committee on Conference has provided a total of \$1,027,951,000 for fiscal year 2017-2018 and \$49,445,000 for fiscal year 2018-2019 for projects funded by general obligation bonds and \$1,907,509,000 in fiscal biennium 2017-2019 for projects funded by all other means of financing. In comparison, the Administration's proposed capital improvement projects' biennium budget, as amended pursuant to Governor's Messages, provided a total of \$1,375,734,000 for fiscal year 2017-2018 and \$151,676,000 for fiscal year 2018-

2019 for projects funded by general obligation bonds and \$1,748,338,000 in fiscal biennium 2017-2019 for projects funded by all other means of financing.

Highlights of the capital improvements projects' budget for the biennium include:

- (1) \$23,800,000 in general obligation bond funds for the Department of Agriculture for fiscal year 2017-2018 to purchase over 600 acres of agricultural land to lease to local farmers, and an additional \$12,200,000 in upgrades and improvements to critical water infrastructure systems and agricultural facilities statewide;
- (2) \$10,000,000 in general obligation bond funds for fiscal year 2017-2018 for the Department of Accounting and General Services for an environmental impact study and master plan for a new stadium, adding \$15,000,000 in general obligation bond funds in fiscal year 2017-2018 for lump sum maintenance of existing facilities, along with an additional \$1,200,000 in general obligation bond funds in fiscal year 2017-2018 to begin the rehabilitation of the chambers level waterproofing system at the State Capitol Building;
- (3) A rental housing revolving fund capital infusion of \$25,000,000 in general obligation bond funds and a dwelling unit revolving fund capital infusion of \$25,000,000 in general obligation bond funds for fiscal year 2017-2018 to expand affordable housing statewide;
- (4) \$155,900,000 for lump sum condition, equity, and program support for Department of Education schools, and an additional \$332,209,000 in general obligation bond funds in various other Department of Education capital improvement projects for a total of \$488,109,000 in the 2017-2019 fiscal biennium;
- (5) Lump sum repair, maintenance, and new housing units statewide for the Department of Public Safety totaling \$78,710,000 in general obligation bond funds for the 2017-2019 fiscal biennium;
- (6) Support for repair, maintenance, and renovations at the University of Hawaii campuses statewide, including \$20,000,000 in general obligation bond funds for community colleges and \$83,250,000 in general obligation bond funds for University of Hawaii, systemwide support in fiscal year 2017-2018; and
- (7) Encouragement of the future chefs and culinary industry of Hawaii with an infusion of \$20,000,000 in general obligation bond funds, and a \$10,000,000 match in private funds for phase II of the Kapiolani Community College Culinary Institute of the Pacific.

Your Committee on Conference recognizes the great need in the State for services provided by non-governmental groups and nonprofit agencies and has thus provided \$19,975,000 in general obligation bond funds in fiscal year 2017-2018 to help aid these organizations in better serving the community.

Finally, your Committee on Conference provided funding for various projects within the Department of Defense, Department of Hawaiian Home Lands, Department of Health, Department of Human Services, Department of Land and Natural Resources, and Department of Transportation, among others, to ensure that contributions of matching federal, private, and other funds may be maximized and not lost or forfeited.

As affirmed by the record of votes of the managers 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. 100, 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. 100, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Dela Cruz, English, Galuteria, Harimoto, Inouye, Kahele, Riviere, Shimabukuro, Taniguchi and Wakai.
Managers on the part of the Senate.

Ayes, 11. Noes, none. Excused, none.

Representatives Luke, Cachola, Choy, Cullen, DeCoite, Gates, Holt, Keohokalole, Kobayashi, LoPresti, Lowen, Nakamura, Quinlan, Tokioka, Yamashita, Tupola and Ward.

Managers on the part of the House.

Ayes, 17. Noes, none. Excused, none.

Conf. Com. Rep. 136 on H.B. No. 143

The purpose of this measure is to:

- (1) Authorize the issuance of general obligation bonds to finance capital improvement projects authorized in appropriation measures of the Executive Branch and the Judiciary; and
- (2) Make a declaration of findings with respect to the authorizations for the bonds as required under the Hawaii State Constitution.

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 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;
- (2) Updating dates cited in the measure;
- (3) Changing its effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 143, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 143, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Dela Cruz and English.

Managers on the part of the Senate.

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

Representatives Luke, Cachola, Choy, Cullen, DeCoite, Gates, Holt, Keohokalole, Kobayashi, LoPresti, Lowen, Nakamura, Quinlan, Tokioka, Yamashita, Tupola and Ward.

Managers on the part of the House.

Ayes, 17. Noes, none. Excused, none.

Conf. Com. Rep. 137 on H.B. No. 1465

The purpose of this measure is to update statutory language on liquor license transfer, application, and operating procedures.

More specifically, this measure, among other things:

- (1) Accounts for both member managed and manager managed limited liability companies under liquor licensing statutes;
- (2) Allows liquor license holders that are partnership entities or limited liability companies to avoid license transfer requirements upon admission or withdrawal of certain members, partners, or managers of the license holding entity or company by notifying the Liquor Commission of the change within thirty days;
- (3) Clarifies liquor license procedures and criminal history record check requirements for publicly-traded companies;
- (4) Provides flexibility to the Liquor Commission to hold a license in safekeeping status as an alternative to license cancellation, due to cessation of a business;
- (5) Clarifies conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure;
- (6) Prohibits a non-primary decision-maker from coercing, pressuring, or unduly influencing a primary decision-maker to engage in any unlawful activity relating to the purchase and sale of liquor; and
- (7) Allows the Liquor Commission to issue a temporary license when an applicant, transferor, or transferee is actively challenging a tax matter that prevents the issuance of the appropriate certificate.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Liquor Commission to issue a temporary license that is valid for the period of time necessary to resolve a valid challenge by an applicant, transferor, or transferee of a tax matter that prevents the issuance of the appropriate certificate;
- (2) Changing its effective date from July 1, 2030, to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1465, 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. 1465, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Chang and Keith-Agaran.

Managers on the part of the Senate.

Ayes, 2. Noes, none. Excused, 1 (Keith-Agaran).

Representatives Takumi, Cachola, Fukumoto, Todd and Ward.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Fukumoto, Ward).

Conf. Com. Rep. 138 on H.B. No. 213

The purpose of this measure is to:

- (1) Permit an employee to take family leave to care for the employee's sibling with a serious health condition or upon the death of the employee's child, spouse, reciprocal beneficiary, sibling, or parent; and
- (2) Specify notice and certification requirements.

Your Committee on Conference has amended this measure by:

- (1) Deleting language permitting an employee to take family leave upon the death of the employee's child, spouse, reciprocal beneficiary, sibling, or parent; and
- (2) 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. 213, 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. 213, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 139 on H.B. No. 1382

The purpose of this measure is to assist small businesses in the state procurement process by establishing and appropriating funds for a temporary small business assistance initiative, which would include the completion of the state small business database, small business advisory group, small business office, and small business procurement coordinator position within the State Procurement Office.

Your Committee on Conference has amended this measure by:

- (1) Changing the appropriation amount from an unspecified amount to \$250,000;
- (2) Appropriating the funds for one fiscal year, FY 2017-2018, rather than two fiscal years;
- (3) Providing the State Procurement Office with flexibility in how it allocates the appropriation amount;
- (4) Changing the small business procurement coordinator position from permanent to temporary;
- (5) Changing its effective date to July 1, 2017; 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. 1382, 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. 1382, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kim, Wakai, Galuteria, Thielen and Ruderman.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

Representatives Johanson, Holt, Keohokalole and Matsumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 140 on H.B. No. 1475

The purpose of this measure is to enhance public access to locally-grown food and value-added products while enabling farmers to be economically sustainable by allowing farmers' markets and food hubs on agricultural lands.

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

- (1) Not requiring agricultural-based commercial operations in agricultural districts to be headquartered in Hawaii;
- (2) Not specifying the percentage of Hawaii-grown content required for agricultural products and value-added products sold at roadside stands, retail food establishments, farmers' markets, food hubs, and retail activities on agricultural lands under section 205-2(d)(15), Hawaii Revised Statutes;
- (3) Changing its effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1475, 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. 1475, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Creagan, Nakashima, Cullen and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Nakashima).

Conf. Com. Rep. 141 on H.B. No. 1578

The purpose of this measure is to establish and appropriate funds for a Carbon Farming Task Force within the Office of Planning to identify agricultural and aquacultural activities and best practices that provide carbon sequestration benefits.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$25,000 for fiscal year 2017-2018 and deleting the appropriation for fiscal year 2018-2019;
- (2) Changing its effective date to July 1, 2017; 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. 1578, 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. 1578, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, Creagan, Lowen, LoPresti and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 2 (LoPresti, Tupola).

Conf. Com. Rep. 142 on H.B. No. 427

The purpose of this measure is to preserve dark night skies in Hawaii by establishing a Dark Night Skies Protection Advisory Committee to assist the University of Hawaii in developing a statewide dark night skies protection strategy.

Your Committee on Conference has amended this measure by correctly reflecting the number of members on the Dark Night Skies Protection Advisory Committee.

As affirmed by the record of votes of the managers 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. 427, 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. 427, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, McKelvey, Lowen, Fukumoto, Woodson and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Woodson, Tupola).

Conf. Com. Rep. 143 on H.B. No. 1351

The purpose of this measure is to:

- (1) Authorize the Director of Health to expend moneys to support a county electronics recycling collection; and
- (2) Make an appropriation to reimburse the counties of Hawaii, Kauai, and Maui for expenses incurred during 2015 and 2016 related to the collection services associated with handling and collecting electronic devices for recycling.

Your Committee on Conference has amended this measure by:

- (1) Removing the appropriations to reimburse the counties of Hawaii, Kauai, and Maui for expenses incurred during 2015 and 2016 related to the collection services associated with handling and collecting electronic devices for recycling; and
- (2) Changing its effective date to upon its approval, to be applicable to county electronics collections occurring on or after January 1, 2016.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1351, 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. 1351, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 144 on H.B. No. 957

The purpose of this measure is to expedite the cooling of public school classrooms by:

- (1) Providing that moneys in the Hawaii Green Infrastructure Special Fund may be used for loans to subsidize the installation costs for energy-efficient lighting and other energy efficiency measures related to heat abatement at public schools;
- (2) Making related appropriations; and
- (3) Requiring the Department of Education to report on its expenditure plan to the Hawaii Green Infrastructure Authority and to repay the loan using general revenues saved by the reduced utility costs that result from energy-efficient lighting and other energy efficiency measures.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$46,400,000 out of the Hawaii Green Infrastructure Special Fund to finance installation costs for energy-efficient lighting and other energy efficiency measures related to heat abatement at public schools;
- (2) Authorizing the Department of Education to borrow \$46,400,000 for the heat abatement installation costs;
- (3) Changing its effective date to July 1, 2017; 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. 957, 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. 957, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, Woodson, Luke, Cullen, Har and Tupola.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 2 (Har, Tupola).

Conf. Com. Rep. 145 on H.B. No. 375

The purpose of this measure is to repeal the sunset date for amendments made to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$1,000,000 subject to a dollar for dollar match by the private sector for the Hawaii Tourism Authority, working in conjunction with the Hawaii Lodging and Tourism Association for projects to address homelessness in tourist and resort areas;
- (2) Removing the provisions that made amendments to the refundable food/excise tax credit;
- (3) Changing the effective date to July 1, 2017; 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. 375, 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. 375, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Johanson and Tupola.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 146 on H.B. No. 335

Your Committee on Conference has provided an additional \$546,875 in general funds in each fiscal year of the 2017-2019 biennium for personal services for various programs in the Office of Hawaiian Affairs.

As affirmed by the record of votes of the managers 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. 335, 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. 335, H.D. 2, S.D. 1, C.D. 1.

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

Representatives Ing, Luke, Cullen and Thielen.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Thielen).

Conf. Com. Rep. 147 on H.B. No. 1031

The purpose of this measure is to enable compliance with Internal Revenue Service requirements and ensure the security of federal tax information by authorizing the Department of Taxation, Department of Human Services, Department of Labor and Industrial Relations, and Child Support Enforcement Agency to perform criminal history record checks on current and prospective employees, contractors and their employees and agents who can access federal tax information. The measure further provides a process for the termination or denial of employment that may result from a criminal history record check.

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 H.B. No. 1031, 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. 1031, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Shimabukuro and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 148 on H.B. No. 508

The purpose of this measure is to:

- (1) Increase the maximum administrative fine that may be imposed by the State Ethics Commission from \$500 to \$1000; and
- (2) Permit the State Ethics Commission and the respondent to resolve any charge of an alleged violation prior to the conclusion of the contested case process with a settlement that may include payment of an administrative fine or restitution, or both.

Your Committee on Conference has amended this bill 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 H.B. No. 508, 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. 508, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Gabbard and Kim.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Kim).

Representatives Nishimoto, Cullen and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 149 on H.B. No. 632

The purpose of this measure is to broaden the Water Infrastructure Loan Program to include loans made to water utilities and loans for water tanks.

Your Committee on Conference has amended this measure by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 632, 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. 632, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 150 on H.B. No. 633

The purpose of this measure is to include aboveground freshwater storage tanks in the definition of “appurtenant works” so that maintenance and repair of those tanks appurtenant to dams and reservoirs are eligible for special purpose revenue bond financing.

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. 633, 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. 633, H.D. 1, S.D. 1, C.D. 1.

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

Senators Rhoads, Thielen and English.

Managers on the part of the Senate.

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

Representatives Yamane, Cullen, Kong and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 151 on S.B. No. 917

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor’s Message No. 9 dated April 25, 2017, reflects the tentative agreement with the Hawaii State Teachers Association (HSTA) concerning collective bargaining unit (5) that was reached on April 22, 2017, and is expected to be ratified by April 27, 2017, and the agreement with HSTA regarding EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the tentative agreement with HSTA concerning collective bargaining unit (5) and the agreement with HSTA regarding EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 917, 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. 917, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.

Managers on the part of the Senate.

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

Representatives Johanson, Luke, Holt and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 152 on S.B. No. 923

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (11) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor’s Message No. 8 dated April 21, 2017, reflects the arbitration award issued for the Hawaii Firefighters Association (HFFA) concerning collective bargaining unit (11) on April 17, 2017, and the agreement with HFFA regarding EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the arbitration award issued to HFFA concerning collective bargaining unit (11) and the agreement with HFFA regarding EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 923, 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. 923, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 153 on S.B. No. 850

The purpose and intent of this measure is to require the Chief Information Officer to:

- (1) Identify the information technology projects of the executive branch, including the Department of Education and University of Hawaii, that shall be subject to independent verification and validation; and
- (2) Submit each independent verification and validation report to the Legislature within ten days of receiving the report.

Your Committee on Conference finds that technology projects often involve substantial risk and expense and thus should be subject to independent verification and validation to ensure optimal use of public resources. Your Committee on Conference also finds that making the Chief Information Officer responsible for identifying the technology projects that shall be subject to independent verification and validation is a proactive approach to achieving the successful development and implementation of certain technology projects. Your Committee on Conference further finds that requiring independent verification and validation for certain technology projects will contribute to the efficient and effective functioning of public institutions and state government, and the success of state modernization initiatives.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 850, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 850, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Keohokalole, Luke and Ward.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, none.

Conf. Com. Rep. 154 on S.B. No. 1016

The purpose of this measure is to exempt the Department of Transportation and its contractors from certain statutory requirements for specified bridge rehabilitation projects by extending the sunset date of Act 218, Session Laws of Hawaii 2012 (Act 218), from June 30, 2017, to June 30, 2022.

Your Committee on Conference finds that this measure is necessary to continue the Department of Transportation's efforts to expedite the design and construction of bridges listed in Act 218. Your Committee on Conference notes that the Department of Transportation is still required to comply with all federal laws for each bridge project.

Your Committee on Conference has amended this bill by changing its effective date to June 29, 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. 1016, 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. 1016, S.D. 1, H.D. 1, C.D. 1.

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

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

Representatives Aquino, Quinlan and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 155 on S.B. No. 1148

The purpose and intent of this measure is to:

- (1) Require the Hawaii Community Development Authority (HCDA) to develop a Transit-Oriented Development (TOD) Zone Improvement Program to foster community development by strategically investing in public facilities;
- (2) Specify HCDA members who shall be considered in determining quorum and majority for matters affecting TOD zones and shall be eligible to vote for matters affecting TOD zones; and
- (3) Appropriate an unspecified amount to HCDA for the necessary staff to develop and manage the TOD Zone Improvement Program.

Your Committee on Conference finds that the construction and installation of certain public facilities are necessary and desirable to facilitate the renewal and redevelopment of areas proximate to proposed fixed transit stations. Your Committee on Conference also finds that TOD promotes development patterns that support quality of life, preserve the natural environment, provide a range of housing choices for residents, and encourage walking, biking, and mass transit. Your Committee on Conference further finds that TOD is a powerful tool that can produce a wide range of social, environmental, and economic benefits and contribute to improving a city's livability.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Director of the Office of Planning, or the Director's designee, is not a member of HCDA but shall be considered in determining quorum and majority on matters affecting TOD zones and shall be eligible to vote on matters affecting TOD zones;
- (2) Inserting an appropriation amount of \$60,000 for fiscal years 2017-2018 and 2018-2019 for one full-time equivalent temporary position at HCDA to maintain and develop the staff necessary to develop and manage the TOD Zone Improvement Program;
- (3) Inserting an effective date of July 1, 2017; 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. 1148, 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. 1148, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Rhoads, Nishihara, Espero and Harimoto.

Managers on the part of the Senate.

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

Representatives Brower, Aquino, Yamane, Nakamura, Say and McDermott.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Aquino, McDermott).

Conf. Com. Rep. 156 on S.B. No. 501

The purpose of this measure is to ensure that women in Hawaii have timely and appropriate access to comprehensive reproductive health services by:

- (1) Requiring limited service pregnancy centers to disseminate a written notice on the availability of and enrollment information for publicly-funded family planning services;
- (2) Requiring limited service pregnancy centers to adhere to privacy and disclosure requirements for client records; and
- (3) Establishing civil penalties for noncompliance and authorizing civil actions for enforcement.

Your Committee on Conference finds that individuals seeking healthcare, including reproductive healthcare, should receive comprehensive, accurate, unbiased information in a confidential setting. In a reproductive healthcare setting, this includes receiving information about the full range of options, including how to obtain health insurance coverage should a woman be uninsured. Your Committee on Conference further finds that when women are fully informed, they can make the best decisions for themselves and their health.

Your Committee on Conference also finds that thousands of women in the State are in need of publicly-funded family planning services, contraception services and education, abortion services, prenatal care, and birth-related services. In Hawaii, low-income women can receive immediate access to free or low-cost comprehensive family planning services and pregnancy-related care through Med-QUEST and the Department of Health's family planning program. Your Committee on Conference finds, however, that many women remain unaware of the public programs available to provide them with family planning and pregnancy-related services. Because family planning decisions are time sensitive and early care in pregnancy is important, the State must make every effort possible to advise women of all available reproductive health programs.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of limited service pregnancy center to establish that a limited service pregnancy center does not include a health care facility and providing a definition of health care facility;
- (2) Inserting language to require that the written notice and written pregnancy test result that limited service pregnancy centers are required to provide be provided in English or another language requested by the client or patient;
- (3) Inserting language to establish that this measure is not intended to require the Department of Health to regulate or oversee limited service pregnancy centers;
- (4) Making it 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. 501, 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. 501, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Keith-Agaran, Tokuda, Kidani and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, 1 (Kidani). Excused, 1 (Tokuda).

Representatives Belatti, Nishimoto, Kobayashi and Thielen.
Managers on the part of the House.
Ayes, 4, Ayes with Reservations (Thielen). Noes, none. Excused, none.

Conf. Com. Rep. 157 on S.B. No. 808

The purpose and intent of this measure is to appropriate an unspecified amount of funds to the Department of Land and Natural Resources for the operational expenses and staffing costs of the Hawaii Association of Conservation Districts.

Your Committee on Conference finds that the Hawaii Association of Conservation Districts, through the Soil and Water Conservation Districts (SWCDs), assists government agencies in identifying and implementing culturally sensitive projects and practices to ensure the protection of Hawaii's environment. Your Committee on Conference also finds that the SWCDs bring significant financial resources to Hawaii to improve farm practices, reduce erosion, improve water quality, fight invasive species, improve public safety, protect property, conserve water, and strengthen the economy, and also provide education and community support for conservation awareness, and assist each county in reviewing county grading permits and conservation plans. Your Committee on Conference further finds that the SWCD Program does not have a base budget appropriation, and funding is required in order for the SWCDs to continue their activities, which undoubtedly benefit the people of Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Updating its purpose section;
- (2) Inserting an appropriation amount of \$450,000 and appropriating funds for fiscal year 2017-2018 only;
- (3) Changing the source of funds from the general fund to the special land and development fund;
- (4) Inserting an effective date of July 1, 2017; and
- (5) 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. 808, 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. 808, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 158 on S.B. No. 1240

The purpose of this measure is to ensure the sustainability of Hawaii's near shore aquatic life by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to submit proposed legislation to the Legislature prior to the Regular Session of 2019, including a definition of "sustainable", a policy for sustainable collection practices, and limits on aquatic life collection;
- (2) Prohibiting DLNR from issuing new aquarium fish permits or transferring exiting permits; and
- (3) Authorizing DLNR to continue to renew existing aquarium fish permits for current permit holders.

Your Committee on Conference finds that ensuring the sustainability of aquatic life and the protection of coral reefs in state waters is vital to the long-term interests of the people of Hawaii. Your Committee on Conference further finds that the long-term protection of marine resources necessitates a determination of what is sustainable and a policy for sustainable collection practices of near shore aquatic life. Your Committee on Conference notes that there are existing permit holders who earn their livelihoods through aquarium fish collection and finds that the proposed measure is a step in the right direction toward achieving sustainability of aquatic life while allowing existing permit holders to maintain their livelihoods.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that DLNR shall include in its proposed legislation a process for determining annual catch limits for each of the top forty species of near shore aquatic life for sustainable rates of collection;
- (2) Authorizing the transfer of existing aquarium fish permits prior to July 1, 2022, unless the permit has lapsed;
- (3) Limiting DLNR's authority to renew existing aquarium permits to permits that have not lapsed;
- (4) Specifying that a permit is deemed lapsed if it has not been renewed for five or more years immediately preceding the time of transfer of the permit or application for renewal of the permit, including any duration prior to the effective date;

- (5) Making it effective upon its approval; 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. 1240, 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. 1240, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Rhoads, Keith-Agaran and Thielen.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 159 on S.B. No. 914

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (2) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor's Message No. 10 dated April 27, 2017, reflects the arbitration award issued for the Hawaii Government Employees Association (HGEA) concerning collective bargaining units (2), (8), (9), and (13) on April 25, 2017, and the agreement with HGEA regarding EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the arbitration award to HGEA concerning collective bargaining units (2), (8), (9), and (13) and the agreement with HGEA regarding EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 914, 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. 914, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 160 on S.B. No. 915

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (3) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor's Message No. 11 dated April 27, 2017, reflects the arbitration award issued for the Hawaii Government Employees Association (HGEA) concerning collective bargaining units (3) and (4) on April 26, 2017, and the agreement with HGEA regarding EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the arbitration award issued for HGEA concerning collective bargaining units (3) and (4) and the agreement with HGEA regarding EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 915, 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. 915, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.

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

Representatives Johanson, Luke, Holt and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 161 on H.B. No. 165

The purpose of this measure is to:

- (1) Require state and county boards to make meeting documents available for public inspection, provide notice of their availability and, to the greatest extent feasible, require boards to accommodate requests for electronic access;
- (2) Permit state and county boards to allow oral testimony to be presented on each agenda item separately and at the time the item is first brought up for discussion;
- (3) Account for emergency meetings and electronic documents in meeting notice requirements; and
- (4) Establish requirements for posting the content of meeting minutes.

Your Committee on Conference has amended this measure by:

- (1) Deleting language related to oral testimony at meetings;
- (2) Specifying content requirements for written summaries of minutes that are not posted in written form;
- (3) Changing the effective date to July 1, 2018, to afford state and county boards a period of time to comply with this measure; 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. 165, 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. 165, H.D. 1, S.D. 2, C.D. 1.

Signed by the House Majority Leader and Chairs on behalf of the Committee.

Senators Kim, Keith-Agaran, Harimoto and Ruderman.

Managers on the part of the Senate.

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

Representatives Nishimoto, Cachola and McDermott.

Managers on the part of the House.

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

Conf. Com. Rep. 162 on H.B. No. 110

The purpose of this measure is to fund Hawaii Employer-Union Health Benefits Trust Fund costs and other cost adjustments for legislative officers and employees of specified legislative agencies who are excluded from collective bargaining.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriate appropriation amounts; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 110, 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. 110, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.

Managers on the part of the Senate.

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

Representatives Johanson, Luke, Holt and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 163 on H.B. No. 208

The purpose of this measure is to:

- (1) Require the Department of Labor and Industrial Relations to issue a stop-work order for employers who fail to procure proper workers' compensation insurance or provide their employees with information on workers' compensation rights and claims for benefits;
- (2) Require employees affected by a stop-work order to be paid for the time lost, up to ten days;
- (3) Establish a procedure for an employer to protest a stop-work order;

- (4) Reduce the period from 30 to 14 days to expedite compliance with security for compensation;
- (5) Authorize the Department of Labor and Industrial Relations to issue an order of wage payment violation to an employer in violation of provisions regarding payment of wages and other compensation; and
- (6) Establish penalties, enforcement, and appeal procedures for orders of wage payment violations.

Your Committee on Conference has amended this measure by:

- (1) Deleting language related to stop-work orders and restoring statutory language concerning the penalty for employers who fail to procure proper workers' compensation insurance;
- (2) Restoring statutory language making an employer who fails to pay wages liable to the employee for a sum equal to the amount of unpaid wages and interest at a rate of six percent per year from the date the wages were due in addition to the wages legally proven to be due relative to order of wage payment violations;
- (3) Making it effective upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 208, 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. 208, H.D. 2, S.D. 2, C.D. 1.

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

Senators Keith-Agaran, English and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 164 on H.B. No. 306

The purpose of this measure is to establish procedures and requirements for the use of continuous alcohol monitoring devices by persons who:

- (1) Are charged with operating or habitually operating a vehicle under the influence of an intoxicant under section 291E-61 or 291E-61.5, Hawaii Revised Statutes (HRS); and
- (2) Are repeat intoxicated drivers or awaiting criminal investigation or prosecution for a prior charge of violating section 291E-61 or 291E-61.5, HRS.

This measure also establishes vendor requirements for continuous alcohol monitoring devices and requires a report to the Legislature comparing the effectiveness of these devices and ignition interlock devices.

Your Committee on Conference has amended this measure by:

- (1) Authorizing, rather than mandating the use of continuous alcohol monitoring devices;
- (2) Clarifying for persons who are waiting criminal investigation or prosecution for one or more prior charges under section 291E-61 or 291E-61.5, HRS, that the prior charges under these sections must be as a result of having consumed alcohol;
- (3) Requiring the scheduling of a court appearance within five business days, or as soon thereafter as is practicable, for persons released on bail;
- (4) Deleting language that required extensions of the requisite 90-day monitoring period to be "as reasonably necessary to ensure the safety of the community";
- (5) Requiring fitting of the continuous alcohol monitoring device within five business days of the initial court appearance, or as soon thereafter as is practicable;
- (6) Requiring the Administrative Director of the Courts to:
 - (A) Establish and administer a statewide program for oversight of continuous alcohol monitoring device use; and
 - (B) Select a single vendor to fit, maintain, and monitor the devices;
- (7) Clarifying that partial financial relief shall be provided by the selected single vendor to offset the costs of the device for recipients of certain types of assistance, such as food stamps;
- (8) Clarifying that bail forfeiture and resetting may be imposed for bail violations in addition to the imposition of other penalties by the court;
- (9) Requiring the report to the Legislature to be from the Administrative Director of the Courts, rather than the Department of the Prosecuting Attorney of the City and County of Honolulu, and further requiring such reporting to be conducted on an annual basis, with the first report due prior to the Regular Session of 2019;
- (10) Changing its effective date to January 1, 2018; and

(11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 306, 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. 306, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Keith-Agaran and Shimabukuro.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

Conf. Com. Rep. 165 on H.B. No. 735

The purpose and intent of this measure is to:

- (1) Amend the prorated amount of vehicle license and registration fees, weight taxes, inspection fees, highway beautification fees, and use taxes that rental car companies may pass on to lessees; and
- (2) Require the motor vehicle rental industry to report to the Legislature prior to the Regular Session of 2019 on the average fee charged to each customer on each motor vehicle rental and the average time in service of each motor vehicle rental.

Your Committee on Conference has amended this measure by:

- (1) Establishing the prorated amount of the fees that rental car companies may pass on to lessees at 1/292nd of the fees;
- (2) Requiring rental car companies to submit an annual audit conducted by a third party certified public accountant to the Office of Consumer Protection of the Department of Commerce and Consumer Affairs beginning on March 1, 2019;
- (3) Changing its effective date to July 1, 2017; 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. 735, 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. 735, H.D. 2, S.D. 2, C.D. 1.

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

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

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

Conf. Com. Rep. 166 on H.B. No. 1152

The purpose of this measure is to add a budget proviso to the Supplemental Appropriations Act of 2016 to authorize the Governor to make supplemental allotments from the Department of Transportation, Airports Division, Project Adjustment Fund to supplement any currently authorized capital investment cost elements for airports division capital improvement projects.

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 H.B. No. 1152, 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. 1152, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 167 on H.B. No. 997

The purpose of this measure is to provide flexibility in the granting of concession terms of up to 15 years and to permanently authorize the Department of Transportation to pursue and enter into concession contracts and other arrangements by negotiation.

Your Committee on Conference finds that Hawaii's airports are often the first and last impression that visitors have of the State. Imparting a positive impression of Hawaii is important for the State's tourism based economy as visitors with a positive impression are more likely to return for future visits and recommend Hawaii to others as a travel destination. Currently, airport concession contracts

are awarded to the highest bidder without consideration of the quality or variety of service to be provided. Authorizing the Department of Transportation to enter into and award airport concession contracts through negotiation rather than simply to the highest bidder but in its judgment to a responsible person or entity providing the best value to the State that will result in higher quality services in the best interests of our state airports, which in turn will provide visitors with better first and last impressions of Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Making clarifying language in keeping with the purpose and intent of this measure and various provisions of chapter 102, Hawaii Revised Statutes; 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. 997, 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. 997, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Quinlan, Choy, Tokioka and McDermott.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Choy).

Conf. Com. Rep. 168 on H.B. No. 1231

The purpose of this measure is to authorize the Department of Education to retain and reallocate funds to offset incurred disaster relief expenses.

Specifically, this measure:

- (1) Authorizes the Department of Education to retain appropriations and reimbursements for disaster relief expenses until the end of the following fiscal biennium; and
- (2) Credits federal disaster relief reimbursement funds to the Department of Education when the Department expends Department funds for purposes deemed reimbursable by federal moneys, regardless of whether the original appropriation for the Department funds has lapsed.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1231, 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. 1231, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Woodson, Cullen, Har and Matsumoto.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (Har).

Conf. Com. Rep. 169 on H.B. No. 937

The purpose of this measure is to support the early learning of the young children of Hawaii by appropriating funds for the Executive Office on Early Learning to enter into contracts with third-party providers for family-child interaction learning programs that support families in taking an active role in the social, emotional, and cognitive development of their young children.

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

- (1) Making an appropriation of \$300,000 for each year of fiscal biennium 2017-2019; and
- (2) Changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 937, 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. 937, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Woodson, Cullen, Har and Matsumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 170 on H.B. No. 498

The purpose of this measure is to strengthen early learning in Hawaii by:

- (1) Broadening the scope of the early learning program to include early childhood development;
- (2) Adjusting the thresholds at which children are considered “at-risk” or “underserved”;
- (3) Expanding the role of the renamed Early Learning Board beyond simply an advisory capacity and amending the powers of certain members of the Board;
- (4) Modifying the membership of the Early Learning Board and making conforming amendments;
- (5) Authorizing the Early Learning Board to appoint and annually evaluate the Director of the Executive Office on Early Learning;
- (6) Requiring the Director of the Executive Office on Early Learning to have taken major coursework in early childhood education and child development and preferably hold an academic degree in the field of early childhood education and child development;
- (7) Requiring the principal and other school personnel to participate in an early learning induction program, prior to opening a public prekindergarten class in a school; and
- (8) Specifying that priority for the Executive Office on Early Learning Public Prekindergarten Program will be extended to four-year-old children who are underserved or at-risk and whose family income is at or below 250 percent of the federal poverty level.

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

- (1) Establishing the Early Learning Board within the Department of Education for administrative purposes only;
- (2) Providing that the use of preschool classrooms for public preschool programs must be done pursuant to rules adopted pursuant to Chapter 91, Hawaii Revised Statutes, by the Department of Education;
- (3) Specifying that the underserved and at-risk children served by the Preschool Open Doors Program will be determined by rules adopted by the Department of Human Services; and
- (4) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 498, 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. 498, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Woodson, LoPresti, Ohno and Matsumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 171 on H.B. No. 880

The purpose of this measure is to establish a mark licensing agreement program within the Department of Education that allows the Department and individual department schools to engage in commercial enterprises that provide financial resources for educational activities, provided that the enterprises support the primary educational mission of the school and Department.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 880, 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. 880, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Woodson, Takumi, Yamashita and Matsumoto.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 172 on H.B. No. 116

The purpose of this measure is to support public education in Hawaii by:

- (1) Transferring numerous parcels of property containing schools operated by the Department of Education that are currently owned by the City and County of Honolulu to the Department of Land and Natural Resources;
- (2) Appropriating funds to prepare, execute, and record quitclaim deeds to effectuate the land transfers; and
- (3) Extending the 21st Century Schools Pilot Program (section 302A-1151.1, Hawaii Revised Statutes) for an additional five years.

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

- (1) Clarifying that the transfer of land does not include any property designated as a public park;
- (2) Limiting the parcel transfer to 14 public schools;
- (3) Making an appropriation in the sum of \$100,000 for each year of the 2017-2019 fiscal biennium as a grant-in-aid to the City and County of Honolulu to prepare, execute, and record the quitclaim deeds necessary for the land transfers;
- (4) Adding a savings clause;
- (5) Changing the effective date to July 1, 2017; 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. 116, 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. 116, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Woodson, Luke and Matsumoto.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (Matsumoto).

Conf. Com. Rep. 173 on H.B. No. 1325

The purpose of this bill is to support the State's biosecurity program by:

- (1) Clarifying the Department of Agriculture's authority to expend funds from multiple sources for the biosecurity program;
- (2) Requiring the Department of Agriculture to establish parameters and construction requirements for biosecurity facilities that provide for and ensure the safety of agricultural and food commodities consumed by Hawaii residents; and
- (3) Appropriating funds to enable the Department of Agriculture to implement the biosecurity program, including import replacement of high-risk crops, development of pest-management practices and quarantine-treatment options, and improved productivity in inspection capacity.

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

- (1) Appropriating \$1,200,000 for each year of fiscal biennium 2017-2019 for the biosecurity program, with specific allocations for various components of the program;
- (2) Requiring the Department of Agriculture to submit to the Legislature, no later than 30 days prior to the convening of the Regular Session of 2018, a report on its progress with respect to the biosecurity program; and
- (3) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1325, 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. 1325, H.D. 1, S.D. 1, C.D. 1.

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

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

Representatives Creagan, Takumi, Yamashita and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 174 on H.B. No. 1179

The purpose of this measure is to improve the economics of building and operating rental housing in the State by:

- (1) Expanding the types of rental housing projects that can be exempt from general excise taxes; and
- (2) Allowing the terms of prevailing wages under contracts to develop affordable rental housing approved and certified by the Hawaii Housing Finance and Development Corporation (HHFDC) pursuant to section 201H-36(a)(5), Hawaii Revised Statutes (HRS), to be deemed the prevailing wages serving as the basis of compliance with chapter 104, HRS.

Your Committee on Conference has amended this measure by:

- (1) Effective from July 1, 2018, to June 30, 2022, authorizing HHFDC to exempt qualified persons or firms HHFDC has approved and certified to develop affordable rental housing from general excise taxes; provided that the allowable general excise tax and use tax costs apply to contracting only and do not exceed \$7,000,000 per year in the aggregate for all projects approved and certified by HHFDC;
- (2) Repealing redundant rulemaking authority in section 104-2(g), HRS;
- (3) Inserting a sunset date of June 30, 2022; 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. 1179, 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. 1179, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Keith-Agaran and Shimabukuro.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Keith-Agaran).

Representatives Brower, Johanson, Nakamura and McDermott.
Managers on the part of the House.
Ayes, 3. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 175 on H.B. No. 1022

The purpose of this measure is to appropriate moneys to satisfy various claims against the State, its officers, or its employees.

Your Committee on Conference has amended this measure by revising the list of claims against the State and specifying the applicable funding sources.

As affirmed by the record of votes of the managers 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. 1022, 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. 1022, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 176 on S.B. No. 918

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor's Message No. 12 dated April 27, 2017, reflects the tentative agreement with the Hawaii Government Employees Association (HGEA) concerning collective bargaining unit (6) on April 27, 2017, which is expected to be ratified by April 30, 2017, and the agreement with HGEA regarding EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the tentative agreement with HGEA concerning collective bargaining unit (6) and the agreement with HGEA regarding EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 918, 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. 918, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

Representatives Johanson, Luke, Holt and Matsumoto.
Managers on the part of the House.

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

Conf. Com. Rep. 177 on S.B. No. 919

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (7) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor's Message No. 14 dated April 27, 2017, reflects the tentative agreement between public employers and the University of Hawaii Professional Assembly (UHPA) and the parties' intent to execute a supplemental agreement concerning collective bargaining unit (7) EUTF contribution amounts. Your Committee on Conference also finds that Governor's Message No. 13 dated April 27, 2017, reflects the tentative agreement between public employers and the United Public Workers (UPW) and the parties' intent to execute a supplemental agreement concerning collective bargaining units (1) and (10) EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the tentative agreements with UHPA concerning collective bargaining unit (7) EUTF contribution amounts and with UPW concerning collective bargaining units (1) and (10) EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 919, 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. 919, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 178 on S.B. No. 926

The purpose of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund (EUTF) costs for public employees in collective bargaining unit (14) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee on Conference finds that Governor's Message No. 15 dated April 27, 2017, reflects the tentative agreement between the Hawaii Government Employees Association (HGEA) and public employers and the parties' intent to execute a memorandum of agreement concerning collective bargaining unit (14) EUTF contribution amounts. This measure provides a legislative vehicle to fund the collectively bargained terms that were agreed upon.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to reflect the tentative agreement with HGEA concerning collective bargaining unit (14) EUTF contribution amounts;
- (2) Changing the effective date to July 1, 2017; 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. 926, 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. 926, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Tokuda and Rhoads.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Rhoads).

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

Conf. Com. Rep. 179 on S.B. No. 26

The purpose of this measure is to appropriate funds as a subsidy to the Office of the Prosecuting Attorney for the Hawaii County Career Criminal Prosecution Unit.

Your Committee on Conference finds that supporting a strong and effective prosecutor's office is vital to protecting the health, safety, and welfare of the public. It has long been a recognized problem that a relatively small number of repeat criminals, or "career

criminals”, commit a disproportionate number of the serious crimes against the public. For that reason, the Legislature created the career criminal prosecution program in 1979. This program has been effective in assisting prosecutors’ offices in the counties in delivering swift and effective justice. Accordingly, it is important to continue to provide funding to the Hawaii County Office of the Prosecuting Attorney for its Career Criminal Prosecution Unit to continue to protect the public from these dangerous career criminals.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$150,000 for the Hawaii County Office of the Prosecuting Attorney for its Career Criminal Prosecution Unit; and
- (2) Changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 26, 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. 26, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kim and Inouye.
Managers on the part of the Senate.
Ayes, 2. Noes, none. Excused, 1 (Kim).

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

Conf. Com. Rep. 180 on S.B. No. 491

The purpose of this measure is to appropriate funds as a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Career Criminal Prosecution Unit.

Your Committee on Conference finds that supporting a strong and effective prosecutor’s office is vital to protecting the health, safety, and welfare of the public. It has long been a recognized problem that a relatively small number of repeat criminals, or “career criminals”, commit a disproportionate number of the serious crimes against the public. For that reason, the Legislature created the career criminal prosecution program in 1979. This program has been effective in assisting prosecutors’ offices in delivering swift and effective justice. Accordingly, it is important to continue to provide funding to the Department of the Prosecuting Attorney of the City and County of Honolulu for its Career Criminal Prosecution Unit so that the department may continue to protect the public from these dangerous career criminals.

Your Committee on Conference has amended this measure by:

- (1) Changing the appropriation amount to \$300,000; and
- (2) Changing the effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 491, 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. 491, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nishimoto, Cullen and McDermott.
Managers on the part of the House.
Ayes, 2. Noes, none. Excused, 1 (McDermott).

Conf. Com. Rep. 181 on H.B. No. 839

The purpose of this measure is to provide accountability and transparency with respect to certain funds and expenditures of the Department of Land and Natural Resources. Specifically, the measure requires the Auditor to conduct a performance audit of the Department of Land and Natural Resources’ (DLNR) Special Land and Development Fund and Land Conservation Fund; to review contracts, grants, and memoranda of understanding involving those funds; and to conduct an accounting of expenditures related to the 2016 International Union for Conservation of Nature World Conservation Congress (IUCN). This measure also appropriates funds to the Auditor to conduct audits and accounting and hire personnel.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the audit shall consider compliance with applicable law and qualifications of contractors and awardees;
- (2) Deleting language requiring an accounting of IUCN expenditures;
- (3) Appropriating \$100,000 for the purposes of conducting the audit, and deleting provisions requiring that the appropriations be used for specific positions;
- (4) Changing its effective date to July 1, 2017; and
- (5) 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. 839, 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. 839, H.D. 1, S.D. 1, C.D. 1.

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

Senators Rhoads, Thielen and Galuteria.

Managers on the part of the Senate.

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

Representatives Yamane, Cullen, Kong and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 182 on H.B. No. 637

The purpose of this measure is to expedite the review, updating, and adoption of appropriate updates to the state building codes, to increase the supply of freshwater in the State. Specifically, this measure:

- (1) Requires the Department of Accounting and General Services (Department) to adopt rules related to certain state building codes no later than two years after the adoption of the codes by the State Building Code Council (Council);
- (2) Specifies that the state building codes shall become interim building codes for state building construction if the Department does not adopt rules within the specified two-year time period; and
- (3) Authorizes the use of private funding during fiscal year 2017-2018 to provide assistance to the Council to conduct public hearings and develop administrative rules.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$60,000 for each year of fiscal biennium 2017-2019 to the Council to carry out its duties, including hiring one full-time equivalent position to effectuate this measure; provided that for fiscal year 2017-2018 a dollar for dollar match from private sources is required; and
- (2) Deleting language requiring the Council to adopt codes or standards at least once every six years, and based upon a review and evaluation of the utility of the code or standard at the time each respective edition is published;
- (3) Requiring the Council to adopt a code or standard within two years of its official publication date and specifying that if the Council does not review and adopt a code or standard within the two-year time period, that code or standard shall automatically become part of the Hawaii state building code until superseded by the adoption of an amended version of the code or standard by the Council;
- (4) Deleting the requirement that the Council review and adopt, as appropriate, new model building codes within eighteen months of the official publication date;
- (5) Deleting the provisions that the state building codes shall become interim building codes for the design of all state building construction if the Department does not adopt rules within the specified two-year time period;
- (6) Changing its effective date to July 1, 2017; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 637, 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. 637, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kim, Baker and Taniguchi.

Managers on the part of the Senate.

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

Representatives Yamane, Takumi, Cullen and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 183 on H.B. No. 575

The purpose of this measure is to encourage the highest and best use of public lands by permitting a lessee of public lands to relinquish the lease within the final ten years of the lease term and permitting the Board of Land and Natural Resources to dispose of the relinquished land and any improvements by public auction.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have allowed a lessee to relinquish a lease and established a process for the Board to proceed directly to disposition of the land by public auction;
- (2) Inserting new language that creates a process by which a public land lessee may, within the final ten years of the lease term, request that the Board solicit potentially interested, qualified parties to whom the Board may dispose of the land and:

- (A) Limits application of the process to land classified as commercial and industrial use;
 - (B) Authorizes the Board to enter into direct negotiation for a new lease with the current lessee if no other interested, qualified parties are available;
 - (C) Authorizes the disposition of the land by public auction during the final three years of the lease term if it has not been released by that time and if at least one interested, qualified party is available;
 - (D) Authorizes the Board to determine the terms of the new lease, subject to specified conditions; and
 - (E) Accounts for the disposition of improvements to the land that were owned or constructed by the current lessee;
- (3) Inserting new language that authorizes the Board of Land and Natural Resources to extend, without public auction, the lease of public land to a school or government entity beyond the generally-applicable sixty-five year limit on public land leases, except for conservation land leased to the University of Hawaii that has been subleased for purposes of building an astronomical observatory;
 - (4) Deleting appropriations to the Department of Land and Natural Resources;
 - (5) Changing its effective date to July 1, 2017; and
 - (6) 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 H.B. No. 575, 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. 575, H.D. 1, S.D. 1, C.D. 1.

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

Senators Rhoads, Thielen and Kahele.

Managers on the part of the Senate.

Ayes, 3. Ayes with Reservations (Thielen). Noes, none. Excused, none.

Representatives Yamane, Cullen and Thielen.

Managers on the part of the House.

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

Conf. Com. Rep. 184 on H.B. No. 794

The purpose of this measure is to:

- (1) Establish the University of Hawaii Green Special Fund (Special Fund) to support energy efficiency, renewable energy, and sustainability projects and services, and planning, design, and implementation of sustainability projects for the benefit of the University of Hawaii (UH);
- (2) Require UH to submit a report to the Legislature prior to each regular session on the moneys deposited into the Special Fund; and
- (3) Appropriate funds for fiscal year 2017-2018 for energy efficiency, renewable energy, and sustainability projects and services that may be funded by the Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation;
- (2) Requiring legislative approval of any Special Fund expenditure over a certain amount;
- (3) Changing its effective date to July 1, 2017; 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. 794, 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. 794, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Kahele, Inouye and Tokuda.

Managers on the part of the Senate.

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

Representatives McKelvey, Luke, Cullen and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 185 on H.B. No. 847

The purpose of this measure is to provide the University of Hawaii the express statutory authority to create, finance, and participate in economic enterprises and expand workforce opportunities through the commercialization of inventions and discoveries generated by or at the University by establishing the Innovation and Commercialization Initiative Program and the University Innovation and Commercialization Initiative Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Legislature finds that it is a matter of concern to promote the economic health and diversify workforce opportunities in the State;
- (2) Changing its effective date to July 1, 2017;
- (3) Providing that the measure shall be repealed on June 30, 2021; and
- (4) 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. 847, 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. 847, H.D. 1, S.D. 1, C.D. 1.

Signed by the House Majority Leader and Chairs on behalf of the Committee.

Senators Kahele, Wakai, Keith-Agaran and Dela Cruz.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 1 (Dela Cruz).

Representatives McKelvey, Nishimoto, Keohokalole, Har and Matsumoto.

Managers on the part of the House.

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

Conf. Com. Rep. 186 on H.B. No. 627

The purpose of this measure is to establish a regulatory framework to increase economic development in the State through collaboration between the public and private sector by:

- (1) Authorizing the Department of Business, Economic Development, and Tourism (DBEDT) to establish and fill one permanent state private-public partnership coordinator position;
- (2) Establishing within DBEDT an Office of Public-Private Partnership with specified duties, including, among other things:
 - (A) Creating a strategic plan;
 - (B) Coordinating collaboration among state agencies to analyze and develop public-private partnership projects based on the needs and goals of the agency and State;
 - (C) Developing and analyzing plans for future public-private partnership projects; and
 - (D) Initiating the redevelopment of Aloha Stadium as its initial private-public partnership; and
- (3) Appropriating funds for each year of fiscal biennium 2017-2019 to establish and fill the state public-private partnership coordinator position, establish and operate the Office of Public-Private Partnership, and initiate Aloha Stadium redevelopment.

Your Committee on Conference believes that public-private partnerships will create opportunities for synergy and to grow and expand government services and activities beyond those currently provided with increased public satisfaction. Your Committee on Conference clarifies and emphasizes that the intent of this measure is to create those synergies between the public and private sectors and it is not the intent of this measure to adversely impact current government services nor to actively seek opportunities to privatize existing services historically provided by government employees.

Your Committee on Conference has amended this measure by:

- (1) Describing the coordinator's position as a full-time equivalent (1.00 FTE) state public-private partnership coordinator position;
- (2) Appropriating \$150,000 for each year of fiscal biennium 2017-2019 for the state public-private partnership coordinator position and to establish and operate the Office of Public-Private Partnership;
- (3) Changing its effective date to July 1, 2017; 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. 627, 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. 627, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Kahele and Dela Cruz.

Managers on the part of the Senate.

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

Representatives Nakashima, San Buenaventura, Cullen, Yamane and Ward.

Managers on the part of the House.

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

Conf. Com. Rep. 187 on H.B. No. 475

The purpose of this measure is to:

- (1) Make permanent Act 39, Session Laws of Hawaii 2015 (Act 39), which established the requirement that movie theaters must, under certain conditions and circumstances, provide open movie captioning and audio descriptions of motion pictures; and
- (2) Authorize a public accommodation that owns, leases, leases to, or operates a motion picture theater in the State to provide a personal closed captioning system for a motion picture that is produced and offered with closed captioning content.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State shall provide:
 - (A) Open movie captioning during at least one showing per week of each motion picture that is produced and offered with open movie captioning; or
 - (B) A personal closed captioning system that is produced and offered with closed captioning content;
- (2) Extending the sunset date of Act 39 to January 1, 2020; and
- (3) Requiring the Department of Business, Economic Development, and Tourism to conduct a survey and report to the Legislature on the operational and financial impact that Act 39 has had on movie theaters that are required to comply with Act 39 and any other relevant matters resulting from Act 39.

As affirmed by the record of votes of the managers 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. 475, 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. 475, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Baker and Keith-Agaran.

Managers on the part of the Senate.

Ayes, 3, Ayes with Reservations (Baker). Noes, none. Excused, none.

Representatives Nakashima, Keohokalole, Tokioka and Ward.

Managers on the part of the House.

Ayes, 4, Ayes with Reservations (Tokioka). Noes, none. Excused, none.

Conf. Com. Rep. 188 on H.B. No. 1044

The purpose of this measure is to replace the Department of Business, Economic Development, and Tourism's (DBEDT) requirements associated with the certification, administration, and verification of the Renewable Fuels Production Tax Credit with a process that requires taxpayers who claim a credit to complete and file an independent, third-party certified statement with DBEDT in the form prescribed by DBEDT.

Your Committee on Conference has amended this measure by making the measure effective upon its approval, and applicable to taxable years beginning after December 31, 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 H.B. No. 1044, 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. 1044, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Taniguchi and Shimabukuro.

Managers on the part of the Senate.

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

Representatives Nakashima, Lee, Keohokalole and Ward.

Managers on the part of the House.

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

Conf. Com. Rep. 189 on H.B. No. 591

The purpose of this measure is to assist qualified infrastructure tenants (Tenant) who were displaced from the Kapalama Container Terminal site by updating the Capital Infrastructure Tax Credit (Tax Credit) law for taxable years beginning after December 31, 2016.

Specifically, this measure:

- (1) Includes structures, machinery, equipment, and capital assets in the definition of "capital infrastructure costs" thereby allowing a taxpayer to claim the Tax Credit for those costs; provided that those costs relate to the taxpayer's move of a trade or business within Honolulu Harbor and excluding amounts received from the State;
- (2) Increases the maximum credit to \$2,500,000 per taxable year for a Tenant; provided that excess Tax Credits may be carried forward until exhausted subject to certain limitations;
- (3) Clarifies that distribution and share of the Tax Credit for a partnership may be determined notwithstanding section 706 of the Internal Revenue Code, in addition to section 704;
- (4) Requires the recapture of the Tax Credit if the Tenant fails to relocate within ninety days after the execution of a lease with the Department of Transportation;

- (5) Requires a taxpayer claiming the Tax Credit to timely submit certain information annually to the Department of Taxation, and subjects the taxpayer to a reduction of Tax Credit and monetary penalties for failure to provide the information; and
- (6) Requires that within ninety days after each fiscal year, moneys shall be transferred from the Harbor Special Fund to the Director of Finance for deposit into the general fund, in an amount equal to the aggregated Tax Credits properly claimed by taxpayers during the fiscal year, as calculated by the Director of Taxation.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Tenant, together with all of its special purpose entities, including all partners and members of the Tenant and its special purpose entities, shall not claim any credit in any one taxable year that exceeds \$2,500,000;
- (2) Deleting language subjecting the taxpayer to a reduction of the Tax Credit for failure to timely submit certain information;
- (3) Deleting language requiring the Director of Taxation to calculate the aggregate value of all capital infrastructure tax credits properly claimed and report the amounts to the Director of Transportation and the Director of Finance;
- (4) Deleting language authorizing the transfer of moneys from the Harbor Special Fund to reimburse the general fund in an amount equal to the aggregated properly claimed Tax Credits;
- (5) Changing its effective date to upon its approval; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 591, 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. 591, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

Conf. Com. Rep. 190 on H.B. No. 423

The purpose of this measure is to ensure that the Motion Picture, Digital Media, and Film Production Tax Credit (Tax Credit) continues to benefit Hawaii by:

- (1) Extending the sunset date of the Tax Credit for five years to January 1, 2024, and allowing taxpayers to claim unused credits through calendar year 2024;
- (2) Clarifying that qualifying production costs are those costs that are expended, in addition to incurred, within the State;
- (3) Specifying that to qualify for the Tax Credit, a production must provide evidence of:
 - (A) Ability to understand and navigate and recognition of cultural and environmental sensitives unique to Hawaii; and
 - (B) Reasonable efforts to comply with the guidelines for filming in sensitive locations established by the Hawaii Film Office;
- (4) Specifying that to qualify for the Tax Credit, a production must:
 - (A) Employ or contract for the services of cultural resources or historical, cultural, or language experts to advise the production;
 - (B) Agree, if it claims more than \$8,000,000 in credits, to provide a community screening of the finished products in the county of the island in which the majority of the production took place; and
 - (C) Prequalify for the Tax Credit by registering with the Hawaii Film Office of the Department of Business, Economic Development, and Tourism (DBEDT) and obtain certification from the Film Office;
- (5) Specifying that a taxpayer's failure to comply with DBEDT's reporting requirements may constitute a waiver of the right to claim the Tax Credit; and
- (6) Establishing an annual aggregate cap of \$30,000,000 on the Tax Credit and allowing a taxpayer to claim all or part of the credit in subsequent years if the cap has been reached in the year the taxpayer was eligible to claim the Tax Credit.

The measure also requires DBEDT to;

- (1) Submit an annual report on the activities and expenditures of the Tax Credit to the Legislature prior to the convening of each Regular Session until the Tax Credit expires;
- (2) Hire an independent third party to audit each film production that claims the Tax Credit; and
- (3) Collaborate with the Department of Taxation and submit an independently verified and audited annual report to the Governor and Legislature on the jobs created by and fiscal impact to the State of, those productions receiving the Tax Credit.

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

- (1) Clarifying that the production to qualify for the Tax Credit must, among other things, provide the State:
 - (A) A qualified Hawaii promotion; and
 - (B) Evidence that reasonable efforts were unsuccessful to secure and use comparable products or services within the State;
- (2) Deleting any requirements to qualify for the Tax Credit that:
 - (A) Relates in any way to cultural and environmental sensitivities; and
 - (B) Requires a community screening of the finished production for any production that claims a credit of more than \$8,000,000;
- (3) Clarifying that the taxpayer shall first prequalify the production for the Tax Credit by registering with DBEDT, and repealing the provisions relating to the failure to comply may constitute a waiver of the right to claim the Tax Credit and the certification requirements;
- (4) Requiring a taxpayer claiming the Tax Credit to submit a verification review of any claims for the Tax Credit using procedures prescribed by DBEDT and deleting the provision that failure to comply with the reporting requirements of DBEDT may constitute a waiver of the right to claim the Tax Credit;
- (5) Increasing the aggregate tax credit cap to \$35,000,000, and any tax credit claims in excess of the \$35,000,000 cap shall be treated as having been applied for in the subsequent year and claimed in such year, provided that no excess shall be allowed to be claimed after December 31, 2025;
- (6) Extending the Tax Credit to January 1, 2026;
- (7) Deleting the provision permitting a taxpayer to claim any unused Tax Credit through calendar year 2024;
- (8) Clarifying that no later than January 1, 2018, and each January 1 thereafter, each film production that has production expenditures of \$1,000,000 or more and is claiming the Tax Credit shall obtain an independent third party certification of qualified production costs eligible for the Tax Credit for submission to DBEDT;
- (9) Deleting the requirement that DBEDT's report to the Governor and the Legislature be independently verified and audited for accuracy;
- (10) Changing its effective date to December 31, 2018;
- (11) Clarifying that the amendments to the Tax Credit shall apply to taxable years beginning after December 31, 2018; and
- (12) Making technical, nonsubstantive amendments, including conforming 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. 423, 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. 423, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Dela Cruz and Keith-Agaran.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Nakashima, Luke, Cullen, Woodson and Ward.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, 1 (Woodson).

Conf. Com. Rep. 191 on S.B. No. 859

The purpose of this measure is to:

- (1) Grant an employee the right to have a chaperone present during an independent medical examination relating to a work injury for workers' compensation purposes;
- (2) Grant an employee the right to use a recording device during the medical examination, subject to certain conditions; and
- (3) Specify that if the employee or employee's designated chaperone obstructs the examination, the employee's right to compensation shall be suspended until the obstruction ceases.

Your Committee on Conference finds that efforts to ensure that the independent medical examination physician who examines a work injury under the workers' compensation system is truly independent serve to minimize or even eliminate negative perceptions about the examiner, providing greater assurance that the examination will be conducted fairly.

Your Committee on Conference has amended this measure by making it effective upon its approval; provided that on June 30, 2019, this measure shall be repealed and section 386-79, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 859, 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. 859, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Keith-Agaran, Chang and Rhoads.
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

Representatives Johanson, Cullen, Holt, Yamashita and Matsumoto.
Managers on the part of the House.
Ayes, 5. Noes, none. Excused, none.

Conf. Com. Rep. 192 on S.B. No. 1183

The purpose of this measure is to address taxation.

More specifically, this measure:

- (1) Authorizes a county that has established a county surcharge on state tax to extend the surcharge for two years, until December 31, 2029, provided that certain conditions are met;
- (2) Authorizes counties that have not established a surcharge on state tax to do so before January 1, 2018;
- (3) Reduces from ten per cent to one per cent the portion of county surcharge on state tax deducted to reimburse the State for administrative costs;
- (4) Expressly prohibits a county with a population greater than five hundred thousand from using surcharge revenues for administrative or operating costs of a locally preferred alternative for a mass transit project, including such costs for a rapid transit authority; and
- (5) Prohibits a county with a population greater than five hundred thousand from:
 - (A) Prohibiting the use of county funds for capital costs of a locally preferred alternative for a mass transit project; or
 - (B) Using county surcharge revenues for purposes other than capital costs of a locally preferred alternative for a mass transit project,

and provides that any extension of the surcharge on state tax will not take effect if the county violates any of the conditions in subparagraph (A) or (B).

Your Committee on Conference finds that this measure will provide a financial mechanism to continue construction of a locally preferred alternative for a mass transit project, subject to appropriate conditions.

However, your Committee on Conference believes that it is more fiscally prudent to establish a mechanism that provides transient accommodations tax revenues for the purposes of this Act, so that a greater proportion of the funding for a locally preferred alternative for a mass transit project is derived from visitors to the State.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions authorizing a county that has established a county surcharge on state tax to extend the surcharge for two years, until December 31, 2029;
- (2) Imposing requirements and conditions on the authority of counties to establish a new surcharge on state tax pursuant to this measure;
- (3) Expanding to all counties the prohibition on forbidding the use of county funds for capital costs of a locally preferred alternative for a mass transit project;
- (4) Establishing the new start education special fund;
- (5) Subject to certain conditions imposed by this measure, increasing the transient accommodations tax by 2.75 per cent from January 1, 2018, to December 31, 2027, and allocating:
 - (A) \$50,000,000 in transient accommodations tax revenue per year to the new start education fund; and
 - (B) The remaining revenue to a county with a population greater than five hundred thousand to be used only for capital costs of a locally preferred alternative for a mass transit project;
- (6) Requiring that, from January 1, 2018, to December 31, 2027, \$13,000,000 per year from the 44.1 per cent portion of transient accommodations tax revenue allocated to the City and County of Honolulu be used only for capital costs of a locally preferred alternative for a mass transit project; and
- (7) Prohibiting a county from using public funds to reconstruct or redevelop the Neal S. Blaisdell Center while the county is collecting a surcharge on state tax to finance capital costs of a locally preferred alternative for a mass transit project.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1183, 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. 1183, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Inouye, Nishihara, Tokuda and Dela Cruz.
Managers on the part of the Senate.
Ayes, 4. Noes, none. Excused, none.

Representatives Aquino, Luke and McDermott.
Managers on the part of the House.
Ayes, 3, Ayes with Reservations (McDermott). Noes, none. Excused, none.

Conf. Com. Rep. 193 on H.B. No. 1488

The purpose of this measure is to amend and clarify the regulatory framework for the use of medical marijuana and the implementation and operation of the medical marijuana dispensary system by:

- (1) Permitting qualifying patients and their primary caregivers to possess additional medical marijuana seedlings as part of an adequate supply;
- (2) Specifying additional debilitating medical conditions that qualifying patients may treat with medical marijuana;
- (3) Amending requirements for and access to laboratory testing to ensure product and patient safety;
- (4) Amending certain dates and deadlines in existing law to address delays in implementing the dispensary system;
- (5) Authorizing the Department of Health to implement an alternate, backup information tracking system and requiring the Department to report information and recommendations to the Legislative Oversight Working Group; and
- (6) Establishing requirements for retention of video security recordings for production centers and dispensaries.

Your Committee on Conference has amended this measure by:

- (1) Increasing the number of plants at any stage of growth that qualifying patients and their primary caregivers may possess instead of authorizing possession of additional seedlings only;
- (2) Including rheumatoid arthritis as a qualifying condition for use of medical marijuana and deleting autism and arthritis of an unspecified type;
- (3) Clarifying restrictions on the interisland transportation of medical marijuana for laboratory testing purposes;
- (4) Authorizing qualifying patients to continue to obtain medical marijuana from a source other than a dispensary or by self-cultivation through December 31, 2023;
- (5) Clarifying the Department of Health's authority to permit licenses to cultivate additional plants at a production center and to operate an additional retail dispensary location;
- (6) Clarifying that production centers and retail dispensing locations shall retain video security recordings for at least fifty days;
- (7) Amending restrictions on access to dispensary facilities to permit paratransit and assistive service providers to provide assistance required by a qualifying patient to access the dispensary;
- (8) Amending submission deadline for the Department of Health's report to the Working Group;
- (9) Changing its effective date to June 29, 2017; and
- (10) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1488, 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. 1488, H.D. 1, S.D. 1, C.D. 1.

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

Senators Baker, Keith-Agaran, English, Espero and Ruderman.
Managers on the part of the Senate.
Ayes, 5. Noes, none. Excused, none.

Representatives Belatti, San Buenaventura, Cullen and Thielen.
Managers on the part of the House.
Ayes, 4. Noes, none. Excused, none.

Conf. Com. Rep. 194 on H.B. No. 1469

The purpose of this bill is to promote the redevelopment of districts that have been identified as being in need of revitalization.

Specifically, this bill:

- (1) Requires the Legislature to designate redevelopment districts in certain land classifications;
- (2) Requires the establishment of a planning committee for each designated redevelopment district;
- (3) Requires the planning committee to prepare a redevelopment plan for the designated district;
- (4) Establishes a process to create a separate revolving fund for each redevelopment district;
- (5) Appropriates funds for the purposes of redevelopment districts; and
- (6) Establishes the Waiakea Peninsula Redevelopment District, Planning Committee, and Revolving Fund, to be repealed on June 30, 2027.

Your Committee on Conference has amended this measure by:

- (1) Adding clarifying language regarding the powers and duties delegated to planning committees;
- (2) Adding provisions regarding modifications to public land lease restrictions;
- (3) Appropriating \$500,000 for fiscal year 2017-2018 to be deposited into the Waiakea Peninsula Redevelopment District Revolving Fund (Revolving Fund) and appropriating out of the Revolving Fund \$300,000 for fiscal years 2017-2018 and 2018-2019 for the purpose of this measure; 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. 1469, 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. 1469, H.D. 1, S.D. 2, C.D. 1.

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

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

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

Conf. Com. Rep. 195 on H.B. No. 115

The purpose of this measure is to require each county with a population of 500,000 or more to take ownership and jurisdiction over all disputed roads under certain circumstances.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that disputed roads are those in which there is a dispute over ownership and jurisdiction between the State or any of its political subdivisions and a county or a private party, or between a county and a private party; and
- (2) Changing its effective date to July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 115, 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. 115, H.D. 1, S.D. 1, C.D. 1.

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

Senators Inouye, Galuteria and Thielen (does not concur).
Managers on the part of the Senate.
Ayes, 3. Noes, none. Excused, none.

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

STANDING COMMITTEE REPORTS

SCRep. 1 Human Services on S.B. No. 4

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to reimburse non-profit entities that provide housing assistance services to the homeless population.

Your Committee received testimony in support of this measure from IMUAlliance, Hawaii Youth Services Network, and Young Progressives Demanding Action. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committee finds that the chronically homeless are often the most visible homeless, living in neighborhoods, doorways, and under bridges. These persons experience homelessness over a long period of time and incur very significant public costs. Providing resources to programs that provide housing assistance, like the housing first program, can result in chronically homeless persons obtaining permanent housing and services they may need to keep them in housing and off the streets.

Your Committee has amended this measure by:

- (1) Adjusting the appropriation amount from \$25,000,000 to \$10,000,000; and
- (2) Specifying that the appropriation shall instead be used to reimburse housing first program providers that provide housing assistance services to the homeless population.

Your Committee on Human Services notes that the amendments made to this measure may require the measure to additionally be referred to your Committee on Housing.

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. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 4, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 2 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 27

The purpose and intent of this measure is to:

- (1) Make an appropriation to the Department of Human Services to restore basic adult dental benefits to Medicaid enrollees; and
- (2) Require the Department of Human Services to obtain the maximum federal matching funds available for this expenditure.

Your Committees received testimony in support of this measure from the University of Hawai'i, State Council on Developmental Disabilities, Lanai Community Health Center, Healthcare Association of Hawaii, Waimānalo Health Center, 'Ohana Health Plan, Hawaii Dental Service, Hawaii Dental Association, Hawai'i Public Health Institute, Ko'olauloa Health Center, The Queen's Medical Center, Hawaii Primary Care Association, Ho'ola Lahui Hawaii, Waikiki Health, and seventeen individuals. Your Committees received comments on this measure from the Department of Human Services and Papa Ola Lōkahi.

Your Committees find that oral health in the State is a pervasive and expensive public health crisis that needs to be addressed, especially in low-income and underserved populations. The State needs to find ways to begin rebuilding the State's public dental health infrastructure, as low-income individuals in the State are more likely to have dental problems and less likely to seek care to resolve these issues.

Your Committees further find that the State's federally matched Medicaid program forms an essential support for underserved individuals by offering insurance options for low-income citizens, in addition to other social service programs. Restoring basic adult dental benefits would allow for individuals to eat properly, work productively, improve mental health well-being, and increase attendance and participation in school.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 27 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 3 Agriculture and Environment on S.B. No. 160

The purpose and intent of this measure is to establish and appropriate funds derived from the state environmental response, energy, and food security tax (barrel tax) for the Korean natural farming pilot program.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Farmers Union United; Hawaii Center for Food Safety; We Are One, Inc.; Miss Rodeo Hawaii Program; and twelve individuals. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that agricultural pests in Hawaii, such as the little fire ant, coffee berry borer, papaya ringspot virus, macadamia felted coccid, macadamia fungus, banana bungee, coqui frogs, and fire weed, threaten the economic viability of Hawaii's commercial agricultural industries. The use of pesticides to combat these pests may endanger the health of Hawaii's people and environment, whereas Korean natural farming does not pose the same health risks. Korean natural farming techniques, which involve

collecting and culturing indigenous microorganisms and reintroducing them into an agroecosystem, may be an effective method to combat these pests without the use of pesticides.

Your Committee has amended this measure by:

- (1) Removing sections 2 and 3, relating to the barrel tax;
- (2) Inserting an appropriation amount of \$100,000; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 160, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 160, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 4 Commerce, Consumer Protection, and Health on S.B. No. 145

The purpose and intent of this measure is to:

- (1) Ensure that transfers of defendants to hospitals for evaluation and treatment are due to the need for acute hospital level psychiatric treatment for mental illness; and
- (2) Make permanent the statutory change repealing the requirement that one of the three qualified examiners providing forensic evaluations to determine a defendant's fitness to proceed in a felony case has to be appointed from within the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health. Your Committee received comments on this measure from the Hawaii Disability Rights Center.

Your Committee finds that it is important to pursue initiatives that promote the safe, effective, and efficient delivery of mental health supports and forensic evaluations. Currently, no clearly defined criteria exist for determining whether or not it is necessary to transfer a defendant to a hospital to receive a pretrial forensic evaluation. Instead, the court has discretion in the matter, but there is no mental health professional appointed at that juncture in the court proceedings to assess the level of care a defendant might need. This measure clarifies existing law to ensure that transfers to state facilities for evaluation and treatment occur when there is a need for acute hospital level psychiatric treatment for mental illness.

Your Committee further finds that forensic examinations should be timely and efficient. During the Regular Session of 2016, the Legislature acknowledged personnel shortages within the Department of Health and enacted Act 231, Session Laws of Hawaii 2016, which gives the Department flexibility in assigning work to forensic examiners from outside the Department until June 30, 2018. Your Committee believes that this deadline gives the Department sufficient time to resolve its staffing deficits and that the flexibility granted to the Department should be temporary, as originally intended.

Your Committee has amended this measure by:

- (1) Inserting language to include detainees located in jail correctional facilities who are in need of acute psychiatric treatment for mental illness by allowing these detainees to be transferred to state facilities per agreements entered into between the Department of Health and the Department of Public Safety;
- (2) Deleting section 2, thereby retaining the language that reinstates mandatory participation by examiners from within the Department of Health in forensic examinations beginning July 1, 2018;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 145, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 5 Agriculture and Environment on S.B. No. 226

The purpose and intent of this measure is to fund a program coordinator position and inspector position within the Department of Agriculture for the industrial hemp program.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Farmers Union United, Hawai'i Farm Bureau, and nine individuals.

Your Committee finds that Act 228, Session Laws of Hawaii 2016, established the industrial hemp pilot program to allow the cultivation of industrial hemp and distribution of its seed in Hawaii through limited activities by licensee-agents of the Board of Agriculture for purposes of agricultural or academic research. To ensure success, the program must be properly staffed with a program coordinator and inspector and have the proper funding for program operations.

Your Committee has amended this measure to designate that the appropriation is for industrial hemp program operations, in addition to funding staff positions.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 226, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 6 Agriculture and Environment on S.B. No. 350

The purpose and intent of this measure is to make an appropriation for a nutrient cycling center pilot project on Maui and require reporting on the efficacy of the pilot project.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Center for Food Safety; Farm Lovers Farmers Markets; We Are One, Inc.; and twenty individuals. Your Committee received comments on this measure from the Department of the Attorney General and Hawai'i Farm Bureau.

Your Committee finds that nutrient cycling fosters agricultural production by preventing nutrients from flowing from farmland into aquifers and shorelines. Nutrient cycling puts end products back into the land-based food chain instead of generating waste or causing pollution, as with food waste, and lowers agricultural production costs. Your Committee also finds that a regional nutrient cycling center in Hawaii, particularly on Maui, would promote environmental, economic, and social benefits for the State along with food and energy security, while minimizing the interisland transfer of waste streams and reducing the likelihood of transporting invasive species.

Your Committee has amended this measure by:

- (1) Adding language to explicitly establish the regional nutrient cycling pilot program on Maui;
- (2) Clarifying that the Board of Agriculture shall establish an advisory panel for the pilot program; 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 Agriculture and Environment 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 7 Agriculture and Environment on S.B. No. 356

The purpose and intent of this measure is to improve food security and self-sufficiency in the State by encouraging the development and implementation of a whole farm system approach to agriculture in Hawaii through the establishment of a farmer apprentice mentoring program within the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture; University of Hawai'i System; Hawaii Farmers Union United; Ka 'Ohana O Na Pua; Farm Lovers Farmers Market; Pipi's Produce, Inc.; and fifteen individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the development of a whole system approach to agriculture in Hawaii that pays close attention to soil health, specifically increasing mineral availability and improving soil structure, water-holding capacity, crop health, and food nutrition levels, will lower water usage through deployment of green manure, compost, and cover crops; reduce crop loss from pest damage; and decrease weed pressure. This whole system approach to agriculture can improve food security and benefit the local economy through reducing production costs by promoting locally sourced inputs and the manufacturing thereof. Teaching a new generation of farmers to use this whole system approach will create an alternative method of farming that appeals to many young farmers across the State. Your Committee finds that currently there is a shortage of qualified teachers for these farm methods; therefore, a farmer apprentice mentoring program will fulfill this need by bringing the students to the farm and providing qualified farm mentors with funding.

Your Committee has amended this measure by:

- (1) Making the appropriation directly to the Department of Agriculture, rather than as a grant-in-aid;
- (2) Deleting language that would have required the Chairperson of the Board of Agriculture to be responsible for grant approvals, and that there be at least one grant approval per county; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 356, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 356, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 8 Agriculture and Environment on S.B. No. 771

The purpose and intent of this measure is to authorize the issuance of general obligation bonds to finance improvements to irrigation systems throughout the State.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Agriculture Research Center; Hawaii Cattlemen's Council, Inc.; Hawai'i Farm Bureau; and one individual.

Your Committee finds that a reliable irrigation system is the lifeline of Hawaii's agricultural industry. To ensure that Hawaii's crops receive a steady and dependable supply of water, sufficient funding is needed to maintain and improve Hawaii's irrigation systems.

Your Committee has amended this measure by:

- (1) Inserting a general obligation bond issuance and appropriation amount of \$13,200,000; 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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 771, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 9 Agriculture and Environment on S.B. No. 804

The purpose and intent of this measure is to increase the amount of pesticide use revolving fund monies the Department of Agriculture can maintain in order to allow the Department to have the necessary funds available to carry out its statutory mandate.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Island School Garden Network; Hawai'i Alliance for Progressive Action; We Are One, Inc.; Hawaii Crop Improvement Association; Hawaii Cattlemen's Council, Inc.; Hawaii Center for Food Safety; Western Plant Health Association; Farm Lovers Farmers Market; and eighteen individuals.

Your Committee finds that the pesticide use revolving fund is comprised of funds collected by the Department of Agriculture from pesticide license fees, restricted use pesticide dealer license fees, and training fees and is used to support the pesticide program's registration and licensing, certification and education, and compliance monitoring activities. The revolving fund may also be used to establish pesticide training workshops, educational programs, development of integrated pest management strategies, and other services to benefit users of pesticides, including collection, disposal, and recycling of pesticide containers. Your Committee further finds that increasing the cap on unobligated, unencumbered, and unexpended funds in the revolving fund from \$250,000 to \$1,000,000 will increase the ability of the Department of Agriculture to conduct critical training and outreach to:

- (1) Ensure that pesticides are not misused, as the misuse of pesticides is not only illegal but may also endanger the health of people and the environment;
- (2) Assist in the disposal of pesticides and pesticide containers; and
- (3) Supplement environmental studies, such as groundwater reviews and water sampling activities.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 804 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 10 Agriculture and Environment on S.B. No. 779

The purpose and intent of this measure is to expand the membership and duties of the Pesticide Advisory Committee in accordance with the recommendations of the *Pesticide Use by Large Agribusinesses on Kaua'i* report.

Your Committee received testimony in support of this measure from the Department of Education; 'Ohana O Kaua'i; Hawaii Center for Food Safety; Ka Ohana 'O Na Pua; Hawai'i Nurses' Association, OPEIU Local 50; Hawai'i Alliance for Progressive Action; We Are One, Inc.; Hale Lea Medicine, LLC; Farm Lovers Farmers Markets; Montessori Hale O'Keiki, Inc.; and one hundred six individuals. Your Committee received testimony in opposition to this measure from the Department of Agriculture; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; Hawaii Crop Improvement Association; and Western Plant Health Association.

Your Committee finds that Ordinance 960, passed by the County of Kauai in 2013 relating to pesticides and genetically modified organisms, which was overturned in federal court in 2014, contained a provision to create a Joint Fact Finding Group (JFFG) to help address key environmental and public health questions related to large-scale commercial agriculture entities using pesticides and genetically modified organisms on Kauai. When the ordinance was struck down by the court, the Department of Agriculture and the Kauai County Office of the Mayor contracted an independent public policy group, ACCORD3.0 Network, to facilitate the JFFG project. The JFFG was charged with gathering accurate information on the lands used by the seed companies and Kauai Coffee, their pesticide usage, and evidence of any possible adverse health and environmental impacts.

Your Committee also finds that the JFFG issued its findings and recommendations on May 25, 2016, in a report titled, *Pesticide Use by Large Agribusinesses on Kaua'i* (Report), and arrived at the following conclusions regarding health and environmental impacts on the west side of Kauai:

- (1) The Kauai health data examined is very limited and does not show a causal relationship between the pesticides used by the seed companies and health problems found on the west side or any other part of Kauai; and
- (2) There needs to be additional data gathering going forward to continue to demonstrate the impacts of agricultural pesticide use.

Your Committee further finds that passage of this bill will implement many of the JFFG's recommendations. The Report recommends that the Pesticide Advisory Committee be expanded and its mission broadened to:

- (1) Carefully establish new state standards for "chronicity" to account for low-level continuous and cumulative exposures to pesticides;
- (2) Undertake a major update of Hawaii's pesticide laws and regulations;
- (3) Revise and expand the Good Neighbor Program; and
- (4) Establish a consistent and data-driven buffer zone policy and use "green screens".

Your Committee appreciates the concerns of the Department of Agriculture but believes this measure deserves further discussion and debate.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 779 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 11 Agriculture and Environment on S.B. No. 778

The purpose and intent of this measure is to appropriate funds to implement the findings and recommendations of the *Pesticide Use by Large Agribusinesses on Kaua'i* report.

Your Committee received testimony in support of this measure from the Department of Agriculture; 'Ohana O Kaua'i; Hawaii Farmers Union United; Hawai'i Nurses' Association, OPEIU Local 50; Hawai'i Alliance for Progressive Action; Hawaii Center for Food Safety; Ka 'Ohana O Na Pua; We Are One, Inc.; and one hundred ninety-nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Cattlemen's Council, Inc., and one individual. Your Committee received comments on this measure from the Western Plant Health Association.

Your Committee finds that the County of Kauai passed Ordinance 960 relating to pesticides and genetically modified organisms in 2013, which was overturned in federal court in 2014. The ordinance contained a provision to create a Joint Fact Finding Group to help address key environmental and public health questions related to large-scale commercial agriculture entities using pesticides and genetically modified organisms on the island of Kauai. When the ordinance was struck down by the court, the Department of Agriculture and the Kauai County Office of the Mayor contracted an independent public policy group, The ACCORD 3.0 Network, to facilitate the Joint Fact Finding Group project. The group was charged with gathering accurate information on the lands used by the seed companies and Kauai Coffee, their pesticide usage, and evidence of any possible adverse health and environmental impacts.

Your Committee further finds that the study group issued its findings and recommendations on May 25, 2016, in a report titled, *Pesticide Use by Large Agribusinesses on Kaua'i*, and arrived at the following conclusions regarding health and environmental impacts on the west side of Kauai:

- (1) The Kauai health data examined is very limited and does not show a causal relationship between the pesticides used by the seed companies and health problems found on the west side or any other part of Kauai; and
- (2) There needs to be additional data gathering going forward to continue to demonstrate the impacts of agricultural pesticide use.

The report requests an appropriation of \$3,000,000 to implement numerous recommendations. Your Committee supports a statewide effort to ensure that the people and environment of Hawaii are protected against any possible adverse effects of pesticide use.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 778 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 12 Agriculture and Environment on S.B. No. 684

The purpose and intent of this measure is to provide additional funding for improvements to the Waiahole irrigation system.

Your Committee received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Farmers Union United; Hawai'i Farm Bureau; Hawaii Agriculture Research Center; Hawaii Cattlemen's Council, Inc.; and two individuals.

Your Committee finds that a reliable irrigation system is the lifeline of Hawaii's agricultural industry. To ensure that Hawaii's crops receive a steady and dependable supply of water, sufficient funding is needed to maintain and improve Hawaii's irrigation systems. Your Committee further finds that the Waiahole irrigation system was constructed in 1915 to irrigate thousands of acres of sugarcane. The system collects groundwater from the windward side of Oahu and transports the water via tunnels to the leeward side of Oahu, where it is conveyed through ditches and siphons by gravity flow to supply vital irrigation water to lands between Waipio and Kunia; however, the system is currently in need of efficiency improvements.

Your Committee has amended this measure by:

- (1) Inserting a general obligation bond issuance and appropriation amount of \$8,000,000; 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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 684, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 684, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 13 Human Services on S.B. No. 347

The purpose and intent of this measure is to appropriate funds for establishing, staffing, and operating two mobile clinics to serve the homeless population.

Your Committee received testimony in support of this measure from The Queen's Health Systems and three individuals. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. Homeless persons face a myriad of issues, including general health issues, mental illness, and substance abuse.

Your Committee further finds that mobile clinics are increasing in popularity across the nation as government entities find ways to address the health care needs of the homeless population. In places such as Denver, Colorado; Seattle, Washington; and San Jose, California, mobile clinics offer a variety of free health care services for local homeless populations, saving significant costs on emergency room visits.

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. 347 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 14 Human Services on S.B. No. 20

The purpose and intent of this measure is to require operators of child care facilities that care for children one year of age or younger to implement and maintain safe sleep policies to prevent sudden unexpected infant deaths and sudden infant death syndrome in accordance with rules adopted by the Department of Human Services.

Your Committee received testimony in support of this measure from the Hawai'i Association for the Education of Young Children, Hawaii Children's Action Network, and fifty 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. According to the Centers for Disease Control and Prevention, more than 4,500 sudden unexpected infant deaths occur in the United States every year. Your Committee further finds that 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 Committee further finds 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 and sudden infant death syndrome. However, the State does not regulate the proper sleep positions of infants and toddlers under the care of child care centers or family care homes.

Your Committee on Human Services notes that the Department of Human Services will be conducting a public hearing on February 6, 2017, to hear proposed amendments to administrative rules for registered family child care homes and licensed infant and toddler child care centers. The proposed amendments seek to improve safety and care by accommodating any changes to best practices and standards of care that may occur related to sleep-related deaths in infants.

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. 20 and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 15 Human Services on S.B. No. 181

The purpose and intent of this measure is to reestablish eligibility for the preschool open doors program to include three- year-old children.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Hawaii Children's Action Network, Kamehameha Schools, Parents and Children Together, Hawai'i Association for the Education of Young Children, Americans for Democratic Action Hawaii, and four individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that when first established in 1991, the preschool open doors program provided financial assistance to parents of three- and four-year-old children living at or below seventy-five per cent of the state median income. Act 169, Session Laws of Hawaii 2013, reestablished the preschool open doors program as the statewide school readiness program, but only for children in the

year prior to entering kindergarten, namely four-year-olds. By not providing preschool services to children when they are three years old, their school readiness will likely decrease while they wait to become eligible for these services at four years of age.

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. 181 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 16 Human Services on S.B. No. 537

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to create one full-time equivalent program specialist position within the Adult Protective and Community Services Branch to oversee the foster grandparent program and senior companion programs in Maui County.

Your Committee received testimony in support of this measure from three individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the foster grandparent program and senior companion program provide income eligible seniors with an opportunity to actively age by mentoring exceptional and special needs children and providing companionship and assistance to frail and isolated older adults. However, there is a lack of adequate staffing to serve the approximately 11,000 seniors with chronic conditions living in Maui County who could benefit from services from a senior companion. Having a program specialist position based in Maui County will provide program support to the foster parent program and the senior companion program, including developing senior volunteers and recruiting and supporting volunteer stations to coordinate assignments in school settings and for home-bound seniors.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 537 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 17 Human Services on S.B. No. 497

The purpose and intent of this measure is to expand the qualifying age for the preschool open doors program to children four years old and younger.

Your Committee received testimony in support of this measure from Parents and Children Together, Hawaii State Parent Teacher Student Association, Kamehameha Schools, Seagull Schools, Hawai'i Association for the Education of Young Children, Hui for Excellence in Education, Americans for Democratic Action Hawaii, Community Children's Council of Hawaii, and five individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the preschool open doors program is Hawaii's school readiness program that provides critical subsidies for low to moderate income families sending their children to a licensed preschool to prepare them for kindergarten. Expanding the qualifying age for the preschool open doors program creates short-term and long-term benefits for children, individuals, and society as a whole.

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. 497 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 18 Human Services on S.B. No. 539

The purpose and intent of this measure is to make financial exploitation of an elder by a caregiver a felony.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Lanakila Pacific, and four individuals.

Your Committee finds that financial exploitation is a fast growing form of elder abuse. Financial exploitation occurs when a person misuses or takes the assets of an elderly victim for that person's own personal benefit. While state laws and various services protect vulnerable adults, including the elderly, providing an additional mechanism against financial exploitation will further protect the elderly and ensure that they are financially safe.

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. 539 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 19 Human Services on S.B. No. 748

The purpose and intent of this measure is to require the Department of Human Services to post its inspection records of child care facilities on a public website and submit an annual report to the Legislature of certain information from inspection records related to child care facilities.

Your Committee received testimony in support of this measure from the Hawaii Association for the Education of Young Children, Hawaii Children's Action Network, and one hundred six individuals. Your Committee received comments on this measure from the Department of Human Services and seven individuals.

Your Committee finds that because many parents must work full time, infant child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Requiring the Department of Human Services to post its inspection records of child care facilities on its website may help bring assurance to families who are seeking or using child care services from these facilities.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 748 and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 20 Human Services on S.B. No. 522

The purpose and intent of this measure is to:

- (1) Strengthen the safe sleep policy for child care facilities for children less than one year of age by requiring placement of children on their backs for sleeping and establishing notice and annual training requirements; and
- (2) Require child care facilities to report the death of a child less than one year of age that occurs in a child care facility to the Department of Human Services.

Your Committee received testimony in support of this measure from the Hawaii Children's Action Network, Hawaii Association for the Education of Young Children, and one hundred five individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from eight individuals.

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. According to the Centers for Disease Control and Prevention, more than 4,500 sudden unexpected infant deaths occur in the United States every year. Your Committee further finds that 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 Committee further finds 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 and sudden infant death syndrome.

Your Committee on Human Services notes that the Department of Human Services will be conducting a public hearing on February 6, 2017, to hear proposed amendments to administrative rules for registered family child care homes and licensed infant and toddler child care centers. The proposed amendments seek to improve safety and care by accommodating any changes to best practices and standards of care that may occur related to sleep-related deaths in infants. Your Committee further notes that the Director of Human Services has publicly stated that the Department of Human Services is committed to pursuing public service announcements on television and radio related to safe sleep policy awareness.

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. 522 and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 21 Human Services on S.B. No. 368

The purpose and intent of this measure is to:

- (1) Strengthen the safe sleep policy for child care facilities, which includes 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 by:
 - (A) Requiring placement of children on their backs for sleeping, unless a health care professional, as defined in rules adopted by the Department of Human Services, waives the requirement in writing; and
 - (B) Establishing notice and training requirements; and
- (2) Require child care facilities to report the death of a child less than one year of age that occurs in a child care facility to the Department of Human Services.

Your Committee received testimony in support of this measure from the Hawai'i Association for the Education of Young Children and one hundred individuals. 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 Children's Action Network and eight individuals.

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. According to the Centers for Disease Control and Prevention, more than 4,500 sudden unexpected infant deaths occur in the United States every year. Your Committee further finds that 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 Committee further finds 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 and sudden infant death syndrome. However, the State does not regulate the proper sleep positions of infants and toddlers under the care of child care centers or family care homes.

Your Committee on Human Services suggests that this measure be known as “Wiley’s Law” if enacted.

Your Committee further notes that the Department of Human Services will be conducting a public hearing on February 6, 2017, to hear proposed amendments to administrative rules for registered family child care homes and licensed infant and toddler child care centers. The proposed amendments seek to improve safety and care by accommodating any changes to best practices and standards of care that may occur related to sleep-related deaths in infants.

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. 368 and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 22 Human Services on S.B. No. 747

The purpose and intent of this measure is to require a finding of substantial evidence that a vulnerable adult has incurred abuse or is in danger of abuse prior to the issuance of an order for immediate protection when the vulnerable adult is living at home with a prognosis of six months or less to live.

Your Committee received testimony in opposition to this measure from the Department of the Attorney General. Your Committee received comments on this measure from the Department of Human Services and Judiciary.

Your Committee finds that the immediate safety and welfare of vulnerable adults are of the utmost concern, especially for adults living at home with a prognosis of six months or less to live. Your Committee also respects the wishes of many older adults who are vulnerable but prefer to age in place or manage their own affairs in their last few months of life. This measure applies a standard of substantial evidence, rather than probable cause, to the seeking and granting of an order for immediate protection.

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. 747 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 23 Human Services on S.B. No. 185

The purpose and intent of this measure is to require child care providers licensed or registered by the Department of Human Services to obtain and maintain liability insurance coverage.

Your Committee received testimony in support of this measure from the Hawaii Children’s Action Network, Hawai’i Association for the Education of Young Children, and ninety-six individuals. Your Committee received comments on this measure from the Department of Human Services and ten individuals.

Your Committee finds that because many parents must work full time, infant child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Requiring all licensed or registered child care providers to obtain and maintain liability insurance coverage may help bring assurance to families who require child care services and allow opportunities for legal recourse for parents whose children are not properly cared for.

Your Committee has amended this measure by specifying that a provider operating a child care facility must obtain and maintain liability insurance coverage beginning January 1, 2019.

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. 185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 185, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 24 Human Services on S.B. No. 268

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to study the impact and feasibility of creating an integrated database of certain information related to homeless individuals for providers of homeless services.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committee finds that homelessness is a complex issue that requires continuous resources and coordinated efforts at all levels, including improving access to information of homeless individuals who are served by service providers. Oftentimes, critical services are delayed for homeless individuals because of the difficulties in accessing pertinent records and information.

Your Committee notes that consideration for confidentiality of health records is critical with the implementation of an integrated database containing information about homeless individuals.

Your Committee has amended this measure by:

- (1) Adjusting the appropriation amount from \$250,000 to \$1,500,000; and
- (2) Specifying that the appropriation shall also be used to construct an integrated database for providers of homeless 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. 268, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 268, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 25 Commerce, Consumer Protection, and Health on S.B. No. 188

The purpose and intent of this measure is to establish and appropriate funds for a one-year pilot project to provide education about, and raise awareness of, sepsis in Hawaii.

Your Committee received testimony in support of this measure from Hawai'i Pacific Health and four individuals. Your Committee received comments on this measure from the Department of Health and Healthcare Association of Hawaii.

Your Committee finds that sepsis is a severe infection that can quickly progress to multisystem organ failure and death. Early recognition and intensive treatment are crucial to preventing morbidity and mortality from sepsis. Your Committee further finds that while groups exist that promote sepsis awareness, there is no organization in Hawaii dedicated to providing education about, and raising awareness of, sepsis.

In 2015, the Sepsis Best Practices Group was formed to disseminate best practices and improve sepsis care across the State. In 2016, Hawaii Sepsis Month and Hawaii Sepsis Day were recognized, and a Sepsis Awareness and Education Day event was held to provide information about sepsis and showcase improvement efforts the hospital community has made in recognizing and treating sepsis. Your Committee recognizes that the Department of Health and Healthcare Association of Hawaii, in collaboration with other community groups, are currently implementing initiatives to raise awareness about sepsis. However, your Committee finds that some funding may be required to further sepsis education and awareness efforts in Hawaii.

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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 26 Commerce, Consumer Protection, and Health on S.B. No. 132

The purpose and intent of this measure is to provide funding for implementation of a stroke communications plan.

Your Committee received testimony in support of this measure from the American Heart Association; Hawai'i Pacific Health; Hawaii Medical Service Association; American Physical Therapy Association, Hawaii Chapter; The Queen's Health Systems; Kaiser Permanente; and one individual. Your Committee received comments on this measure from the Department of Health and Department of the Attorney General.

Your Committee finds that it is common for stroke patients to delay seeking care, which often results in patients being ineligible to receive approved treatments that could improve their health outcomes. For example, despite significant improvements in the speed and quality of emergency medical services and hospital care, Hawaii ischemic stroke patients often arrive to a hospital too late to receive tissue plasminogen activator, the only approved medication for ischemic stroke treatment.

According to the American Heart Association, almost two million brain cells are permanently lost for each minute that passes without treatment to reestablish blood flow. Your Committee finds that early treatment can reduce the risk of death, and disability, and in some cases can reverse the disabling effects of stroke. The American Heart Association/American Stroke Association has established a task force to develop a stroke communications plan designed to change public norms and improve stroke response times. Implementation of the plan will increase stroke awareness and improve proper response.

Your Committee has amended this measure by:

- (1) Deleting the provision that requires the Department of Health to distribute funds to the Hawaii Public Health Institute to manage implementation of the stroke communications plan and inserting language to require the Department to solicit bids from community organizations;
- (2) Replacing the appropriation amount of \$250,000 for fiscal year 2017-2018 with a blank appropriation amount for fiscal years 2017-2018 and 2018-2019; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that although the appropriation amount has been removed from this measure, the recommended appropriation for implementation of a stroke awareness communications plan is \$250,000.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 132, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 132, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 27 Housing on S.B. No. 715

The purpose and intent of this measure is to expand the membership of the Special Action Team on Affordable Rental Housing to include the Executive Director of the Hawaii Community Development Authority and the Executive Director of the Hawaii Public Housing Authority.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Office of Planning, and one individual. Your Committee received comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that the Hawaii Community Development Authority has jurisdiction over areas conducive to the development of affordable rental housing, and the Hawaii Public Housing Authority has the objective of providing affordable rental housing for low-income families and individuals. Because of the subject matter and mission of the respective agencies, your Committee further finds that the addition of the Executive Director of the Hawaii Community Development Authority and the Executive Director of the Hawaii Public Housing Authority would be valuable to the Special Action Team on Affordable Rental Housing. Your Committee additionally finds that allowing the Executive Director of the Hawaii Community Development Authority and the Executive Director of the Hawaii Public Housing Authority to designate representatives to be members of the special action team would increase the flexibility and effectiveness of those members.

Your Committee has amended this measure by allowing the option for the Executive Director of the Hawaii Community Development Authority and the Executive Director of the Hawaii Public Housing Authority to each designate a representative to be members of the Special Action Team on Affordable Rental Housing.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 715, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 715, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 28 Housing on S.B. No. 581

The purpose and intent of this measure is to:

- (1) Remove the cap on the amount of conveyance taxes collected that may be paid into the rental housing revolving fund; and
- (2) Increase the percentage of conveyance taxes collected that shall be paid into the rental housing revolving fund.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, EAH Housing, Hawai'i Association of REALTORS, IMUAlliance, Housing Now, and three individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Chamber of Commerce Hawaii, and Building Industry Association of Hawaii.

Your Committee finds that a great need exists in the State for affordable housing, including affordable rental housing. The rental housing revolving fund provides loans to projects that set aside rental units affordable to extremely low- and very low-income families, which can fill financial gaps to develop affordable rental housing projects. Removing the cap on the amount of conveyance taxes collected that may be paid into the rental housing revolving fund and increasing the percentage of conveyance taxes collected that are paid into the revolving fund will increase the monies available for loans to qualifying projects and help alleviate the need for rental housing in the State.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 581 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 29 Housing on S.B. No. 584

The purpose and intent of this measure is to:

- (1) Remove the requirement that a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii Housing Finance and Development Corporation be a family member; and
- (2) Require a qualified resident who is assisted by a co-mortgagor to have an income of at least fifty percent of the amount required to qualify for a loan to purchase the dwelling unit.

Your Committee received testimony in support of this measure from four individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the Hawaii Housing Finance and Development Corporation is tasked with developing and financing low- and moderate-income housing projects and administering homeownership programs, including the provision of mortgages for affordable housing units to qualifying residents. Your Committee further finds that some affordable units may still be unaffordable to first-time buyers without financial assistance from family and friends. For residents of Hawaii, "family" frequently extends to cousins, uncles, aunts, step-parents, and "hanai" family members who may not fall within the definition of "family" used by the Hawaii Housing Finance and Development Corporation, but who may still have the financial capacity and willingness to assist buyers with the down payment or qualification for a mortgage. Removing the requirement that co-mortgagors be family members and adding a requirement that buyers who are assisted by a co-mortgagor have an income of at least fifty percent of the amount required to qualify for the mortgage will allow the Hawaii Housing Finance and Development Corporation to assist more of the State's residents in purchasing affordable housing.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 584 and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 30 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 397

The purpose and intent of this measure is to:

- (1) Continue the hospital sustainability program for two years; and
- (2) Appropriate funds out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, East Hawaii Region of the Hawaii Health Systems Corporation, The Queen's Health Systems, Healthcare Association of Hawaii, Chamber of Commerce Hawaii, Hawai'i Pacific Health, and one individual.

Your Committees find that the Legislature created the hospital sustainability program which was enacted by Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals in recognition that Medicaid payments to hospitals were below the actual costs of care. Because of the hospital sustainability program, Medicaid payments to many facilities in the State are closer to the actual costs of care, which helps to ensure that Medicaid patients have access to the hospital care they need.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 397 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).
Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 31 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 308

The purpose and intent of this measure is to:

- (1) Beginning with fiscal year 2017-2018, provide an annual inflationary adjustment in the methodology used to reimburse facilities for the long-term care of Medicaid recipients; and
- (2) Appropriate funds to provide an inflationary adjustment to long-term care facilities' provider-specific prospective payment rates for fiscal years 2017-2018 and 2018-2019.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation; East Hawaii Region of the Hawaii Health Systems Corporation; Ohana Pacific Management Company, Inc.; The Queen's Health Systems; Hawai'i Pacific Health; Healthcare Association of Hawaii; One Kalakaua Senior Living; Oahu Care Facility; and two individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that long-term care facilities in the State face major financial challenges in providing quality health care for Hawaii residents, largely because the payments for Medicaid enrollees do not cover the actual costs of care. The Legislature did approve funding for an inflationary update to Medicaid rates for long-term care facilities in 2016, the first increase in approximately seven years. That one-time appropriation of approximately \$1,500,000 for fiscal year 2016-2017 generated an additional \$2,500,000 in federal funds. However, despite that infusion of funds, the Medicaid shortfall will likely persist as the rising costs of care continue to outpace reimbursements.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 308 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 32 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 374

The purpose and intent of this measure is to establish and appropriate funds for an add-on payment of forty percent to the Medicaid base rate for Medicaid enrollees at long-term care facilities who have medically complex conditions requiring a higher level of care and are awaiting discharge from an acute care hospital.

Your Committees received testimony in support of this measure from the Hawaii Health Systems Corporation; East Hawaii Region of the Hawaii Health Systems Corporation; The Queen's Health Systems; Ohana Pacific Management Company, Inc.; Healthcare Association of Hawaii; Hawaii Chapter of the American Physical Therapy Association; One Kalakaua Senior Living; Oahu Care Facility; Hawaii Disability Rights Center; Hawai'i Pacific Health; and three individuals. Your Committees received comments on this measure from the Department of Human Services and Hawaii Medical Service Association.

Your Committees find that a bottleneck occurs between hospitals and long-term care facilities for waitlisted health care patients. Waitlisted health care patients are individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides, but who cannot be transferred from a hospital to another facility because an appropriate placement cannot be found. It is especially difficult to locate a placement for patients who have a complex medical need, such as a traumatic brain injury or cognitive impairment, as the costs of treating these patients are prohibitively high for long-term care facilities.

Your Committees further find that the current Medicaid level of reimbursement for long-term care facilities does not match the cost of providing services to health care patients with medically complex needs. To help hospitals place high-cost patients who no longer need acute care into appropriate long-term care settings, it is critical that long-term care facilities receive payments that better reflect the costs of care attendant with medically complex cases, as hospitals that care for waitlisted health care patients may incur a net annual loss of approximately \$60,000,000.

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, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 374, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 374, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 33 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 21

The purpose and intent of this measure is to increase the monetary penalties and establish criminal penalties for violating laws relating to child care facilities.

Your Committees received testimony in support of this measure from the Honolulu Police Department, Hawaii Children's Action Network, and forty-three individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that because many parents must work full time, infant child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Increasing the fines and establishing criminal penalties for child care facility providers who violate state laws relating to child care facilities may encourage an upkeep of best practices and allow opportunities for legal recourse for parents whose children are not properly cared for.

Your Committees have amended this measure by increasing the class of offense from a misdemeanor to a class C felony for any person who intentionally, knowingly, or recklessly violates the laws relating to child care facilities.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 21, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 21, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 34 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 511

The purpose and intent of this measure is to:

- (1) Create a child care facility inspection information oversight committee to oversee the implementation and compliance with child care facility inspection and complaint investigation posting requirements by the Department of Human Services;
- (2) Require the Department of Human Services to post certain child care facility inspection records on the Department's website;
- (3) Require the Department of Human Services to publish reports of child care facility inspections occurring on or after January 1, 2018, and complaint investigations on the Department's website;
- (4) Require the Department of Human Services to submit an annual report to the Legislature on child care facility inspections and complaint investigations; and

- (5) Appropriate funds for the implementation of and compliance with the reporting requirements for child care facilities.

Your Committees received testimony in support of this measure from the Hawaii Children's Action Network and two individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that because many parents must work full time, infant child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Requiring the Department of Human Services to post its inspection records of child care facilities on its website and establishing an oversight committee to oversee the posting requirements may help bring assurance to families who require child care services.

Your Committees have amended this measure by:

- (1) Adding a member of the Senate and member of the House of Representatives to the child care facility inspection information oversight committee;
- (2) Reinstating the language that authorized, rather than mandated, the Department of Human Services to post certain child care facility records on the Department's website;
- (3) Requiring the Department of Human Services to post reports for all inspections of child care facilities within thirty working days, rather than within five working days, of the conclusion of the inspection; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 511, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 511, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 35 (Joint) Human Services and Housing on S.B. No. 171

The purpose and intent of this measure is to appropriate funds to the Department of Human Services for continued implementation of the State's housing first program and expansion of the program outside of Oahu to assist residents who are chronically homeless.

Your Committees received testimony in support of this measure from Partners in Care; Family Life Center, Inc.; Catholic Charities Hawai'i; Hope Services Hawaii, Inc.; Americans for Democratic Action Hawai'i; Hawaii Habitat for Humanity; Land Use Research Foundation of Hawaii; Bridging the Gap; Hawaii Appleseed Center for Law and Economic Justice; Ho'omana Pono, LLC; and six individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that the housing first program has proven its success in many states as a way to more effectively address the chronically homeless. Chronically homeless individuals are often the most visible — living in our neighborhoods, doorways, and under bridges. These persons experience homelessness over a long period of time and incur very significant public costs. Continuing the housing first program and expanding the program outside of Oahu will ensure that homeless persons across the State receive assistance in gaining permanent housing and services needed to keep them in housing and successfully transition off the streets.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 171 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 36 (Joint) Human Services and Housing on S.B. No. 749

The purpose and intent of this measure is to require the Department of Human Services to:

- (1) Use twenty percent of its annual Medicaid budget for housing-related services and other permanent supportive services for homeless individuals with mental illness or substance use disorders; and
- (2) Seek a section 1115 waiver and other approvals from the Centers for Medicare and Medicaid Services to use Medicaid funds to assist homeless individuals with mental illness or substance use disorders.

Your Committees received testimony in support of this measure from Ho'omana Pono, LLC, and one individual. Your Committees received testimony in opposition to this measure from the Department of Human Services. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness.

Your Committees find that homelessness continues to be one of the State's most significant and challenging social problems. Homeless persons face a myriad of issues, including general health issues, mental illness, and substance abuse. By allocating resources for housing-related services and other supportive services for homeless individuals with serious health care needs, homeless individuals will be able to obtain health care in a timely manner and lessen the impact they have on the general population through the costs of social and health care services.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 749 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 37 (Joint) Human Services and Housing on S.B. No. 5

The purpose and intent of this measure is to establish and appropriate funds for the housing program for homeless individuals with chronic disease.

Your Committees received testimony in support of this measure from Hawai'i Pacific Health and one individual. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that homeless persons are often in poor health and found to be suffering from several chronic diseases. Because health and homelessness are intertwined, assisting homeless persons with multiple chronic diseases in finding housing is critical. Further, homelessness exacerbates already ill individuals, so by identifying chronically ill persons and providing them with housing, the State can help end the cycle that reinforces poverty and illness.

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 Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 5, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 5, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 38 Commerce, Consumer Protection, and Health on S.B. No. 396

The purpose and intent of this measure is to:

- (1) Require a mortgagee or record assignee to provide to a mortgagor or borrower, upon full satisfaction of a mortgage and discharge of the secured debt, a reassignment or release of security interests in leases and rents that served as additional security for the mortgage;
- (2) Authorize title insurers or underwritten title companies to reassign or release mortgagees' security interests in leases and rents on behalf of the mortgagee or record assignee under certain conditions; and
- (3) Authorize certain entities to institute an action in any circuit court to obtain the release or reassignment instrument in the absence of compliance of a mortgagee or record assignee.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Financial Services Association, Hawai'i Association of REALTORS, and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that lenders may secure loans to a borrower through a mortgage and through an assignment of the borrower's rights in leases and rents. These security interests are generally recorded in the Bureau of Conveyances and the Office of the Assistant Registrar of the Land Court. Once a loan is paid in full and satisfied, the parties to the loan generally record a release of the mortgage but sometimes fail to record a release or reassignment of the security interest in leases and rents. As a result, many of these recorded assignments of leases and rents remain on the public record and continue to be found in subsequent title searches involving a property, even though these assignments are no longer enforceable.

Your Committee further finds that title insurers and underwritten title companies are authorized to execute the release of a satisfied mortgage in certain circumstances; however, there is no corresponding mechanism for clearing the public record of the assignments of leases and rents. Accordingly, this measure amends the procedure for clearing titles to included reassignments or releases of leases and rents, which will enable title companies to better facilitate the clearing of extraneous security interests on titles to real property from the public record.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 396 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 39 Agriculture and Environment on S.B. No. 353

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for plans of a biological control containment facility on Oahu.

Your Committee received testimony in support of this measure from the Department of Agriculture, Big Island Invasive Species Committee, Hawai'i Farm Bureau, and The Nature Conservancy.

Your Committee finds that the Department of Agriculture recently released its *Hawaii Interagency Biosecurity Plan*, which states that in order for biosecurity to work, the Department of Agriculture's biocontrol program needs adequate resources, including state-of-

the-art biocontrol facilities, equipped to develop effective biocontrol for some of Hawaii's high-impact and widespread invasive species that are difficult to control through conventional methods. Your Committee finds that funding is needed to update the current, antiquated biological control containment facility into a state-of-the-art laboratory to reach the goals of the biosecurity plan.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 353 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 40 Agriculture and Environment on S.B. No. 593

The purpose and intent of this measure is to:

- (1) Require research facilities to make suitable cats and dogs that are no longer required for research available for adoption; and
- (2) Allow research facilities to contract with animal rescue organizations to facilitate the adoptions.

Your Committee received testimony in support of this measure from the Humane Society of the United States, Hawaiian Humane Society, National Anti-Vivisection Society, West Hawaii Humane Society, Poi Dogs & Popoki, Animal Rights Hawaii, and thirteen individuals.

Your Committee finds that thousands of cats and dogs are used in research each year. Although many of these animals are healthy and suitable for adoption after they are used for research purposes, most of them are euthanized. Your Committee finds that encouraging working relationships between research facilities and animal rescue organizations will save the lives of many adoptable animals.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 593 and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.

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

SCRep. 41 Agriculture and Environment on S.B. No. 700

The purpose and intent of this measure is to amend the offense of cruelty to animals in the first degree to include certain indigenous birds.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, The Humane Society of the United States, Hawaiian Humane Society, West Hawaii Humane Society, and eight individuals.

Your Committee finds that the federal Endangered Species Act of 1973 and chapter 195D, Hawaii Revised Statutes, ensure the perpetuation of aquatic life, wild life, and land plants and their habitats by listing as endangered or threatened certain species of aquatic life, wild life, and land plants for protection and conservation. However, there are indigenous species, such as the Laysan albatross, that are not deemed endangered or threatened and thus are not afforded the same federal and state protections as those listed species. Your Committee further finds that after the deaths of several albatrosses at Kaena Point in December 2015, there is a need for heightened legal protections for Hawaii's indigenous birds specifically.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 700 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 42 Agriculture and Environment on S.B. No. 840

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the purpose of study, design, engineering, and land acquisition for a wastewater treatment plant in Pahoa, Hawaii.

Your Committee received testimony in support of this measure from the Department of Health and three individuals.

Your Committee finds that there are approximately 50,000 cesspools located on the island of Hawaii, which can contaminate ground water, drinking water sources, streams, and oceans with disease-causing pathogens, algae-causing nutrients, and other harmful substances if improperly constructed or maintained. Your Committee finds that the construction of a wastewater treatment plant in Pahoa, Hawaii, would eventually replace many of the existing cesspools in that area and reduce potential health threats to Pahoa residents.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 840 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 43 Agriculture and Environment on S.B. No. 976

The purpose and intent of this measure is to increase the Hawaii Emergency Planning and Community Right-to-Know Act, Tier II filing fee from \$100 to \$200.

Your Committee received testimony in support of this measure from the Department of Health; Department of Transportation; Hawaii Cattlemen's Council, Inc.; Pacific Biodiesel Technologies, LLC; Alaka'i Mechanical Corporation; Par Hawaii; Island Energy Services; and four individuals.

Your Committee finds that Tier II filing fees are used by the county local emergency planning committees to conduct joint emergency planning response training, provide community outreach, purchase specialized equipment, and fund hazardous materials emergency preparedness activities. As operational and equipment costs have risen over the years, it is necessary to increase the fee to maintain the emergency preparedness and response capabilities of the county first responders that respond to hazardous materials incidents statewide.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 976 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 44 Agriculture and Environment on S.B. No. 605

The purpose and intent of this measure is to expand the general excise tax exemption for amounts received from the loading, transportation, and unloading of agricultural commodities to include cattle, goats, lambs, sheep, hogs, and chickens; beef, pork, poultry, and lamb, goat, and sheep meat; milk and milk products; eggs; and products of aquaculture and aquaponics.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Hawaii Cattle Producers Cooperative Association; Ponoholo Ranch, Limited; Meadow Gold Dairies; and three individuals. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's livestock industry faces numerous challenges, which have been contributing factors to the decline of the State's livestock industry. This measure seeks to assist Hawaii's livestock and aquaculture industries to reduce operating costs, and eventually reduce the cost of purchasing local livestock and aquaculture products by local consumers, to ensure the sustainability of Hawaii's livestock and aquaculture industries.

Your Committee has amended this measure, as recommended by the Department of Taxation, by:

- (1) Inserting a definition for "products of aquaculture or aquaponics"; and
- (2) Changing the effective date to apply to taxable years beginning after December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 605, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 45 Agriculture and Environment on S.B. No. 612

The purpose and intent of this measure is to:

- (1) Appropriate funds to reimburse qualified producers of certain products for their cost of feed; and
- (2) Appropriate funds to reimburse feed developers for the costs of feed development.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau, Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Ponoholo Ranch, Limited; and Meadow Gold Dairies. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii and one individual.

Your Committee finds that the cost of imported feed for livestock production is increasing because of market forces and transportation expenses, and that the rising cost of imported feed is one of the biggest challenges for the State's livestock industry. Your Committee further finds that subsidizing a feed development program in the State to help address the needs of Hawaii's livestock producers and feed developers will benefit the State's economy and help meet the State's sustainability goals.

Your Committee has amended this measure by:

- (1) As recommended by the Department of Agriculture, inserting a new section to repeal the reference to the application of documentation of animal feed development costs for costs incurred after July 1, 2016, under the qualified feed developer grant program, section 155D-2.5(b), Hawaii Revised Statutes, to be consistent with the comparable provision in the qualified producer grant program, section 155D-2(b), Hawaii Revised Statutes;
- (2) Specifying a total appropriation amount of \$2,000,000, with:
 - (A) \$1,000,000 allocated to reimburse qualified producers; and

(B) \$1,000,000 allocated to reimburse qualified feed developers; 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 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 46 Transportation and Energy on S.B. No. 658

The purpose and intent of this measure is to establish an independent airport corporation, as of July 1, 2018, to consolidate multiple jurisdictional issues amongst different departments and to improve efficiencies in Hawaii's airports system by streamlining administrative processes.

Your Committee received testimony in support of this measure from the Department of Transportation, State Procurement Office, Hawaiian Airlines, Building Industry Association of Hawaii, Hawai'i Lodging & Tourism Association, Maui Hotel & Lodging Association, Airlines Committee of Hawaii, Ko Olina Resort Operators Association, Enterprise Holdings, Airport Concessionaires Committee, Chamber of Commerce Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Budget and Finance, and Hawai'i Tourism Authority.

Your Committee finds that the economic well-being of the State is substantially dependent on the efficient development, management, and operation of its airports and air transportation infrastructure. Your Committee further finds that responsibility for Hawaii's airport planning, management, marketing, and capital development functions is currently distributed among a number of agencies, including the Department of Transportation's Airports Division, Hawaii Tourism Authority, Department of Budget And Finance, Department of Human Resources Development, Board of Land and Natural Resources, Department of Health with respect to environmental concerns, and the Office of Hawaiian Affairs with respect to ceded land issues, among others.

The Committee believes that coordinated planning and development of air transportation would be achieved more effectively by a single entity having overall consolidated jurisdiction over the State's airport infrastructure.

Your Committee has amended this measure by:

- (1) Upon the recommendation of the Attorney General, deleting the power of the Airport Corporation (Corporation) to appropriate airport funds;
- (2) Upon the recommendation of the Attorney General, exempting the Corporation and its lands from chapter 171, Hawaii Revised Statutes, which, among other things, gives the Department of Land and Natural Resources jurisdiction over the management and lease of public lands;
- (3) Clarifying that a two-thirds vote of each house of the Legislature is required to repeal the Corporation;
- (4) Increasing the number of board members to nine, to be appointed as follows: Governor to appoint five members with at least one member representing each of the islands of Hawaii, Kauai, Maui, and Oahu; and Speaker of the House of Representatives and Senate President to each appoint two members notwithstanding section 26-34, Hawaii Revised Statutes, which limits appointments of board members to the governor; 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 Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 658, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 47 Agriculture and Environment on S.B. No. 776

The purpose and intent of this measure is to restructure the Hawaii Invasive Species Council into a new entity, the Hawaii Invasive Species Authority, to be administratively attached to the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Agriculture; Department of Transportation; Department of Health; University of Hawai'i System; Democratic Party of Hawaii; Hawai'i Farm Bureau; Ka 'Ohana O Na Pua; The Nature Conservancy; Local Food Coalition; Hawaii Cattlemen's Council, Inc.; Conservation Council for Hawai'i; and three individuals. Your Committee received testimony in opposition to this measure from the Hawaii Floriculture and Nursery Association, Kauai Community Cat Project, and three individuals.

Your Committee finds that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. In 2003, the Legislature created the Hawaii Invasive Species Council, an interagency board mandated to provide policy-level direction and coordination on invasive species issues, co-chaired by the Chairpersons of the Board of Land and Natural Resources and the Board of Agriculture. The authorizing legislation for the council did not create staff positions or a revenue source. Your Committee further finds that despite many successes, mitigation of invasive species threats and impacts often remains fragmented between agencies and is insufficiently supported through interagency data collection and management, public pest reporting, interagency response coordination, and statewide public outreach. Establishing the Hawaii Invasive Species Authority as an attached agency of the Department of

Agriculture and enhancing the State's invasive species prevention, early detection, rapid response, control, enforcement, and outreach programs will help protect the environment, human health, culture, and the economy.

Your Committee does not intend that this measure be applied to dogs or cats, which are governed under other statutes.

Your Committee has amended this measure by:

- (1) Clarifying that a member entity of the Hawaii Invasive Species Authority may recover expenses incurred by the entity from a non-compliant owner who causes such expenses to be incurred; and
- (2) Making 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 776, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 776, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 48 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 285

The purpose and intent of this measure is to:

- (1) Continue the nursing facility sustainability program for one year; and
- (2) Appropriate funds out of the nursing facility sustainability program special fund for fiscal year 2017-2018.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, East Hawaii Region of the Hawaii Health Systems Corporation, Chamber of Commerce Hawaii, The Queen's Health Systems, Healthcare Association of Hawaii, Hawai'i Pacific Health, and one individual.

Your Committees find that nursing facilities in the State face major financial challenges in providing quality long-term care for Hawaii residents. As a result, the Legislature created the nursing facility sustainability program to increase Medicaid payments to nursing facilities in recognition that Medicaid payments to nursing facilities are below the actual costs of care. The additional federal funds obtained via the fee program authorized by the nursing facility sustainability program have helped to reduce the amount of losses incurred by long-term care facilities and maintain access to care for Medicaid recipients. Because the majority of residents in Hawaii's nursing facilities are Medicaid enrollees, the nursing facility sustainability program ensures that they have access to quality care.

Your Committees have amended this measure by:

- (1) Extending the nursing facility sustainability program until June 30, 2019;
- (2) Inserting language that appropriates funds out of the nursing facility sustainability program special fund for fiscal year 2018-2019; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 285, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 285, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 49 Education on S.B. No. 194

The purpose and intent of this measure is to require the Department of Health to accept the results of any tuberculosis test that is approved by the Food and Drug Administration and recommended by the Centers for Communicable Disease and Prevention.

Your Committee received testimony in support of this measure from ten individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that tuberculosis testing is a requirement for many people in the State, including children entering school, school personnel, personnel working with high risk populations, and students enrolling in higher education programs. The skin reaction tuberculosis test currently used by the Department of Health requires two visits to the doctor or medical practitioner administering the test, and can cause complications in some patients. Your Committee further finds that other tests that are approved by the Food and Drug Administration exist with fewer risks of complication. Your Committee additionally finds that the Department of Health is in the process of updating its rules to support an expanded range of approved tuberculosis tests.

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. 194 and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 50 Education on S.B. No. 195

The purpose and intent of this measure is to appropriate funds to the Hawaii Teacher Standards Board for two permanent specialist positions.

Your Committee received testimony in support of this measure from the Hawaii Teacher Standards Board, University of Hawaii at Manoa College of Education, and three individuals.

Your Committee finds that the Hawaii Teacher Standards Board received monies for staffing from the general revenues of the State until 2012, at which time the source of monies for staffing was changed to a special fund. Your Committee further finds that this change significantly reduced the resources available to the Hawaii Teacher Standards Board and forced the Board to reduce staff and office space. This reduction in resources has caused hardship for the Board and complicated its mission to set high teacher licensing and credentialing standards.

This measure will provide the Board with much needed funds to hire permanent staff to help the Board fulfill its mission.

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. 195 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 51 Education on S.B. No. 197

The purpose and intent of this measure is to appropriate monies for start-up grants for newly approved, pre-opening public charter schools.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Office of Hawaiian Affairs, Hawaii Public Charter School Network, Kamalani Academy, and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association and IMUAlliance.

Your Committee finds that some Department of Education schools are operating at or near-full capacity, and that overcrowding in schools is a serious issue throughout the State. Public charter schools can be a crucial part of the solution to the problem of school overcrowding. Your Committee further finds that the start-up costs associated with opening a charter school are significant, even after the charter school has been approved by the State Public Charter School Commission. These start-up costs present a serious obstacle to opening charter schools to meet the needs of Hawaii's students. Funding provided by this measure will help ease the cost of opening new charter schools 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 is in accord with the intent and purpose of S.B. No. 197 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 52 Education on S.B. No. 199

The purpose and intent of this measure is to:

- (1) Require that teacher bonuses required by statute or collective bargaining be a separate line item in a charter school's budget and not be paid out of facilities funding or per-pupil funding; and
- (2) Appropriate monies for teacher bonuses for hard-to-fill placement incentives and National Board certified teacher incentives for charter school teachers.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Office of Hawaiian Affairs, Hawaii State Teachers Association, Hawaii Public Charter Schools Network, Kamehameha Schools, Kualapu'u Public Conversion Charter School, Ho'okāko'o Corporation, and five individuals.

Your Committee finds that public charter schools rely on the dedication of their administrators, staff, and teachers to create an environment of educational excellence for students in Hawaii. Like their counterparts at Department of Education schools, teachers at public charter schools who have earned National Board certification or who teach at schools determined to be hard-to-fill are entitled to incentive bonuses. Your Committee further finds that, while the Department of Education has established a dedicated fund for incentive bonuses, public charter schools must pay these bonuses out of per-pupil funds. Your Committee additionally finds that incentive bonuses are not calculated into the monies provided for per-pupil funds, resulting in significant strain to the budgets of public charter schools. Requiring that bonuses be a line item in the state budget will help alleviate this fiscal strain on charter schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 199 and recommends that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 53 Education on S.B. No. 215

The purpose and intent of this measure is to repeal the education research and development revolving fund and transfer the unencumbered balance within that fund to the general revenues of the State.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that the education research and development revolving fund was established in 2001 in anticipation of the potential commercial exploitation of a special education student information system developed by the Department of Education, but that this exploitation did not occur. Section 37-52.4(4), Hawaii Revised Statutes, requires that revolving funds “[demonstrate] the capacity to be financially self-sustaining”. Your Committee further finds that the Auditor, in Auditor’s Report No. 16-11, recommended that the education research and development revolving fund be repealed because the fund could not meet that requirement.

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. 215 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 54 Education on S.B. No. 616

The purpose and intent of this measure is to:

- (1) Require that each public school has a part-time or full-time library;
- (2) Require the Department of Education to develop a plan to ensure that each school has a part-time or full-time library; and
- (3) Appropriate monies to the Department of Education.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Democratic Party of Hawaii, Americans for Democratic Action Hawaii, Ka Ohana O Na Pua, and twelve individuals.

Your Committee finds that a close and thorough experience with libraries is critically important to the growth and development of Hawaii’s students. Some books that students might need are not available in a digital format, and some students lack the resources to purchase all the books that they require. Your Committee further finds that many students in rural areas lack access to libraries, and some students enter high school with no library experience whatsoever.

This measure will provide funding for the Department of Education to develop a plan to ensure all students have access to a part-time or full-time library at their school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 616 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 55 Education on S.B. No. 711

The purpose and intent of this measure is to appropriate monies for the Executive Office on Early Learning to enter into contracts with third party providers for family child interaction learning programs as part of a mixed-delivery early learning system to ensure school readiness of Hawaii’s children prior to entering kindergarten.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Hawaii Children’s Action Network, Ka Ohana O Na Pua, Tūtū and Me Traveling Preschool, and more than two hundred fifty individuals.

Your Committee finds that family is a vitally important influence in the life of a child. Active participation by parents in a child’s early education is extremely beneficial for the child’s learning and development of social competence. Your Committee further finds that Family Child Interaction Learning is a robust early education model that promotes partnerships between early childhood educators and the families of participating children. Your Committee additionally finds that this measure has generated a significant amount of public support.

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. 711 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 56 Commerce, Consumer Protection, and Health on S.B. No. 390

The purpose and intent of this measure is to establish an appraisal management company registration program within the Department of Commerce and Consumer Affairs to conform to minimum standards for appraisal management companies established under federal law and regulations.

Your Committee received testimony in support of this measure from the Hawai’i Association of REALTORS, Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii, Hawaii Bankers Association, Hawaii Credit Union League, Real Estate Valuation Advocacy Association, and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee finds that appraisal management companies, commonly referred to as AMCs, are business entities that manage networks of independent appraisers who prepare appraisals on behalf of lenders. AMCs serve as intermediaries to ensure independence between the appraiser and loan originator and also perform essential functions in many residential transactions, including coordinating appraisal completion, maintaining a panel of qualified appraisers, serving as a liaison between the appraiser and lender, and performing quality control reviews of the appraisal before sending it to the lender.

Your Committee further finds that the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) directed six federal financial regulatory agencies to promulgate rules that establish minimum requirements to be applied by states in the registration and supervision of AMCs. Your Committee notes that Dodd-Frank does not compel a state to establish an AMC registration and supervision program, nor does the Act penalize a State who has not established a regulatory structure within thirty-six months of issuance of the final rule regulating AMCs. However, in states that have not adopted AMC minimum requirements, AMCs are barred from providing appraisal management services for federally-related transactions, unless the AMCs are owned and controlled by a federally-regulated depository institution. According to testimony received by your Committee, the absence of state regulation may deter some lenders from offering mortgage financing in the State. This measure establishes a registration program for AMCs, thus ensuring that Hawaii's residential mortgage consumers have the widest range of financing choices available.

Your Committee notes that due to the complexity of the federal regulation over AMCs, the Department of Commerce and Consumer Affairs anticipates a need for funding to cover the costs associated with the new appraisal management company registration program established by this measure.

Your Committee has amended this measure by:

- (1) Establishing the appraisal management company registration program as a new chapter, rather than a new part in chapter 466K, Hawaii Revised Statutes;
- (2) Inserting a blank appropriation to the Department of Commerce and Consumer Affairs for personnel and startup funding associated with the appraisal management company registration program, to take effect on July 1, 2017; 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, Consumer Protection, and Health 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 57 Commerce, Consumer Protection, and Health on S.B. No. 518

The purpose and intent of this measure is to require licensees under the Board of Barbering and Cosmetology to complete a one-time, one-hour training program on intimate partner violence awareness and education.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii Women's Coalition, Hawaii State Coalition Against Domestic Violence, American Association of University Women – Hawai'i, LGBT Caucus of the Democratic Party of Hawai'i, and four individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Board of Barbering and Cosmetology and Domestic Violence Action Center.

Your Committee finds that intimate partner violence is prevalent in every community and affects people regardless of age, socioeconomic status, sexual orientation, gender, race, religion, or nationality. Professionals in the grooming and beauty industry may have a unique opportunity to notice signs of abuse in their clients. These professionals often enjoy close relationships with their clients, which can put a grooming or beauty professional in the position to provide advice, resource information, and assistance.

Your Committee further finds that requiring a one-time training program on intimate partner violence will enable more grooming and beauty industry licensees to recognize the signs of intimate partner violence and potentially direct their clients to much-needed resources. Your Committee notes that requiring the training to be a three-hour course will allow more time for describing the dynamics of abuse and help licensees understand the barriers faced by survivors and the different resources available to survivors.

Your Committee has amended this measure by:

- (1) Specifying that licensees shall complete a one-time, three-hour training program on intimate partner violence awareness and education;
- (2) Clarifying that individual barber, beauty operator (including cosmetologists, hairdressers, estheticians, and nail technicians), and instructor licensees under the Board of Barbering and Cosmetology are required to attend the one-time training program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 58 Commerce, Consumer Protection, and Health on S.B. No. 222

The purpose and intent of this measure is to benefit individuals with disabilities and kupuna on limited income by exempting amounts received from sales of necessary medical devices and the repair of those devices from Hawaii's general excise tax by:

- (1) Providing a general excise tax exemption for amounts received from the sale of mobility enhancing equipment, durable medical equipment, prosthetic devices, prescription drugs sold pursuant to a doctor's prescription, diabetic supplies, medical oxygen, and human blood and its derivatives; and
- (2) Expanding the definition of "prosthetic devices" to include devices that are worn on the body.

Your Committee received testimony in support of this measure from Isle Interpret and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that exempting amounts received from sales of necessary medical devices from Hawaii's general excise tax can benefit individuals with disabilities and the elderly who are on limited income. Expanding the scope of medical devices that qualify for the tax exemption will help individuals whose health care requires items such as a wheel chair, hearing aid, or pacemaker. Your Committee notes that the Department of Taxation has submitted testimony indicating that this expanded tax exemption can be implemented to apply to taxable years beginning after December 31, 2017, if the definition of "durable medical equipment" is modified to reflect the Medicare definition.

Accordingly, your Committee has amended this measure by:

- (1) Amending the definition of "durable medical equipment" to match the Medicare definition in title 42 Code of Federal Regulations section 414.202 and clarify that durable medical equipment includes bath and shower chairs, bed pans, and raised toilet seats, but does not include mobility enhancing equipment; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 222, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 222, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 59 Commerce, Consumer Protection, and Health on S.B. No. 225

The purpose and intent of this measure is to add a mandated health insurance benefit for the treatment of brain injuries, including cognitive and neurocognitive therapy, neurobehavioral and neuropsychological testing or treatment, and necessary post-acute transition services or community reintegration activities for up to twenty years from the date the injury occurred and up to a lifetime cap per person of \$300,000.

Your Committee received testimony in support of this measure from the Hawaii Disability Rights Center and four individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Department of Human Services, Hawaii Medical Service Association, Kaiser Permanente Hawaii, American Council of Life Insurers, and American Family Life Assurance Company of Columbus.

Your Committee finds that traumatic brain injury is damage to the brain caused by an external force. Traumatic brain injury may produce a diminished or altered state of consciousness and may result in an impairment of cognitive abilities or physical functioning. Although immediate acute care for traumatic brain injury survivors has not generally been an issue, survivors face a long rehabilitation process that may not be covered by certain health insurance plans.

Your Committee has heard the concerns that this measure references a broad category of therapy and services available to survivors of an "acquired brain injury", which is itself a broad reference generally applicable to all brain injuries that occur later in life. Your Committee understands that these overly broad references may create difficulties for health insurers who need to identify diagnoses and treatments for claims and coverage purposes. Amendments to this measure are therefore needed to provide more specificity regarding the type of brain injury and treatment intended to be covered by this measure.

Your Committee further finds that a 2004 report from the Office of the Auditor reported an inconclusive finding regarding mandated coverage for cognitive rehabilitation. However, since that time, a range of studies on the treatment of traumatic brain injuries have been published. Your Committee concludes that an updated review of the 2004 Auditor's report is warranted.

Your Committee has amended this measure by:

- (1) Clarifying that the required health insurance coverage is for cognitive rehabilitation therapy for survivors of traumatic brain injury;
- (2) Amending the definition of "cognitive rehabilitation therapy" to mirror a definition developed by the Brain Injury Interdisciplinary Special Interest Group of the American Congress of Rehabilitation Medicine;
- (3) Specifying that insurers in the State shall provide coverage for cognitive rehabilitation therapy after December 31, 2018;
- (4) Specifying that coverage shall be for cognitive rehabilitation therapy that is medically necessary;
- (5) Clarifying that the proposed coverage shall not apply to limited benefit health insurance;

- (6) Requesting the Auditor, rather than the Department of Commerce and Consumer Affairs, to conduct a follow up analysis to the 2004 Auditor's report, "Assessment of Proposed Mandatory Health Insurance for Cognitive Rehabilitation" and report to the Legislature prior to the convening of the Regular Session of 2018; 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, Consumer Protection, and Health 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 60 Commerce, Consumer Protection, and Health on S.B. No. 229

The purpose and intent of this measure is to appropriate funds for twelve full-time equivalent permanent positions in the Vector Control Branch of the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health, Department of Land and Natural Resources, Big Island Invasive Species Committee, Hawai'i Farm Bureau, Kohala Coast Resort Association, Hawaii Government Employees Association, Hawaii Crop Improvement Association, and four individuals.

Your Committee finds that the Vector Control Branch of the Department of Health is crucial to the health and safety of Hawaii residents, and it is important to continue restoring the Branch's capacity after the loss of thirty-seven positions in 2009. In addition to preventing new human and animal diseases from becoming established within the State, the Vector Control Branch prevents the proliferation and spread of diseases such as dengue fever, which sickened hundreds of people on the Island of Hawaii in 2015 and 2016.

Your Committee notes testimony submitted by the Department of Health indicating that the Department has filled sixteen of the twenty positions authorized by the Legislature in 2016 to help rebuild the Vector Control Branch, and has completed reorganizations for all islands. Your Committee finds that funding additional positions will allow the State to suppress disease vectors before outbreaks occur and will ensure that the Department has experienced, skilled employees to handle outbreaks when they do occur.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 229 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Kidani).

SCRep. 61 Commerce, Consumer Protection, and Health on S.B. No. 405

The purpose and intent of this measure is to increase the efficiency and quality of Hawaii's early intervention services by appropriating funds for a web-based data system in the Department of Health's Early Intervention Section.

Your Committee received testimony in support of this measure from the Hawaii Children's Action Network and Transform Hawai'i Government. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that early intervention services have numerous benefits for children, families, and society. A report from the Federal Reserve Bank of Minneapolis found an economic advantage of quality intervention services equal to an \$8 return for every \$1 invested in early intervention. Society benefits from healthier children, more efficient use of school services, and less use of the criminal justice system.

Your Committee further finds that the Department of Health's Early Intervention Section data system is paper-based and outdated, and lacks web-based capability for retrieving real-time data, accessibility from multiple locations, and generating reports and billing. Currently thirty-four states across the country have web-based early intervention data systems. The Department of Health provides early intervention services through twenty service providers to approximately 3,500 children each year. Your Committee finds that updating the data system will improve tracking of services and progress of each child, better serve families, and generate better outcomes for Hawaii's keiki.

Your Committee heard testimony from the Department of Health that the Department has conducted a software assessment and feasibility study to identify ways to modernize the existing software and systems. The Department testified that the next step is creation of a traceability matrix to prioritize requirements of an updated data system. Your Committee requested the Department of Health, after consulting with the Department of Human Services about potential collaboration, to submit a written plan regarding how best to begin progress toward implementing a modern, web-based early intervention data system.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 405 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Kidani).

SCRep. 62 Commerce, Consumer Protection, and Health on S.B. No. 305

The purpose and intent of this measure is to specify in state statute that video monitoring and recording of medical marijuana production centers and retail dispensing premises shall be retained for forty-five days.

Your Committee received testimony in support of this measure from the Hawaii Educational Association for Licensed Therapeutic Healthcare, Mānoa Botanicals, Cure Oahu, The Drug Policy Forum of Hawai'i, and one individual. Your Committee received testimony in opposition to this measure from the Department of Health and Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that currently state law does not specifically address video surveillance data storage retention requirements. Instead, dispensary licensees must adhere to the Department of Health's administrative rules, which require dispensary licensees to retain video surveillance recordings for a minimum of 365 days. Your Committee heard testimony describing problems with the current requirement. Specifically, retaining video surveillance recordings for 365 days may require dispensary licensees to decrease the frame capture rate of the recordings, which reduces the quality and clarity of the footage and impedes security of the facility. If a dispensary licensee does not or cannot decrease quality in the surveillance footage, the licensee may not be able to retain 365 days' worth of footage and may need to shut down operations due to non-compliance with Department rules or may need to reduce the number of surveillance cameras at the facility or utilize other data storage services that are expensive and sometimes not compatible with existing video surveillance equipment.

Your Committee recognizes that the medical marijuana dispensaries in Hawaii are not in operation yet. However, your Committee finds that the existing rule on video surveillance data storage retention is excessive and overly burdensome for dispensary licensees. Your Committee notes that medical marijuana dispensaries have been operating in other states for years and that the industry standard for video surveillance retention is between thirty and forty-five days.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Kidani).

SCRep. 63 Agriculture and Environment on S.B. No. 352

The purpose and intent of this measure is to appropriate monies to and from the agricultural loan revolving fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Hawai'i Farm Bureau; Land Use Research Foundation; and Ponoholo Ranch, Limited.

The agricultural loan program was established to assist farmers in starting new or expanding existing farm operations; however, the program lacks sufficient capital to fully implement its goals and objectives. Your Committee finds that additional funding is necessary to support the agricultural loan program and help the State progress toward its food production and sustainability goals.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 352 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 64 Agriculture and Environment on S.B. No. 354

The purpose and intent of this measure is to establish a temporary task force within the Department of Agriculture to create a definition for the term "bona fide agricultural producer".

Your Committee received testimony in support of this measure from the Department of Agriculture; Office of Planning; Hawai'i Farm Bureau; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Ponoholo Ranch, Limited; and one individual. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that there is no definition for "bona fide agricultural producer" in the Hawaii Revised Statutes, which has led to disagreement among policy makers and stakeholders when crafting legislation and incentives to benefit farmers. Creating a single definition or multiple definitions of "bona fide agricultural producer" may require careful and substantial amendments to the Hawaii Revised Statutes. Creating a single definition will likely require the development of standards and criteria to define what constitutes a qualifying level of performance or achievement for each category of agricultural producer and may need to be broad so as not to inadvertently exclude certain farmers. Your Committee further finds that a temporary task force under the Department of Agriculture would be ideally suited to analyze such standards and criteria in developing a definition of "bona fide agricultural producer".

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 354 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 65 Agriculture and Environment on S.B. No. 623

The purpose and intent of this measure is to require and appropriate funds for the Department of Agriculture to implement an aquaculture development program.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Aquaculture and Aquaponics Association; Blue Ocean Mariculture; Hawaii Cattlemen's Council, Inc.; Kampachi Farms, LLC; Ponoholo Ranch, Limited; Fresh Island Fish Co., Inc.; Island Commodities Company; and six individuals.

Your Committee finds that, according to a 2010 study, approximately sixty-three percent of seafood consumed in Hawaii is imported. Seafood is an important staple in the diets of many Hawaii residents and is often sought after by Hawaii's visitors. Your Committee further finds that production of more local seafood through aquaculture will increase revenues and high-wage and skilled jobs and reduce reliance on imported seafood, while enabling the State to have greater control of product quality and work toward the State's goals of food self-sufficiency and increased local food production.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 623 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 66 Housing on S.B. No. 968

The purpose and intent of this measure is to authorize establishment of permanent civil service positions for the Hawaii Public Housing Authority to provide services historically and customarily performed by civil service employees in connection with creating housing opportunities for homeless individuals and others in need.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Hawaii Public Housing Authority, and United Public Workers AFSCME Local 646.

Your Committee finds that the Hawaii Public Housing Authority multi-skilled worker program is a crucial component of the State's effort to meet the critical need for public housing in Hawaii, and has reduced the amount of time required to renovate and repair public housing units. Your Committee further finds that, although funding exists for additional positions within the multi-skilled worker program, the program operates at approximately half of its staffing capacity. This measure will authorize the creation of permanent civil service positions to bring the multi-skilled worker program to full capacity.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 968 and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 67 Housing on S.B. No. 1111

The purpose and intent of this measure is to appropriate monies for the Hawaii Public Housing Authority to hire an additional security guard at Kalihi Valley Homes.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. Your Committee received testimony in opposition to this measure from Ho'omana Pono, LLC.

Your Committee finds that one of the Hawaii Public Housing Authority's greatest concerns and priorities is the safety and well-being of the tenants and staff of Hawaii's public housing projects. Your Committee further finds that security measures currently in place at Kalihi Valley Homes are not sufficient to provide a safe and secure living environment for residents. This measure will enable the Hawaii Public Housing Authority to provide additional security at Kalihi Valley Homes.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1111 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 68 Housing on S.B. No. 1142

The purpose and intent of this measure is to:

- (1) Authorize the issuance of general obligation bonds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing; and
- (2) Appropriate monies for public housing security improvements, renovation, and repair.

Your Committee received testimony in support of this measure from the Judiciary of the State of Hawaii, Hawaii Housing Finance and Development Corporation, Hawaii Public Housing Authority, Democratic Party of Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of REALTORS, Hawaii Habitat for Humanity, Catholic Charities Hawaii, Partners in Care, YWCA Oahu, Ali'i Pauahi Hawaiian, Chamber of Commerce Hawaii, and four individuals.

Your Committee finds that there is a critical shortage of affordable housing in the State. This shortage contributes to a homelessness crisis that has an especially negative impact on Hawaii's most vulnerable residents. Your Committee further finds that periods of homelessness can be particularly harmful to young persons, often resulting in a pattern of abuse or criminal activity. Your Committee additionally finds that Hawaii's existing public housing units are also in need of security improvement, renovation, and repair. This measure will provide monies for a comprehensive range of projects to improve the condition of public housing in Hawaii.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1142 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 69 Housing on S.B. No. 912

The purpose and intent of this measure is to:

- (1) Modernize the downpayment loan program; and
- (2) Establish a downpayment loan loss reserve program to assist eligible borrowers to become first-time homebuyers.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Hawaii Association of REALTORS; and Mortgage Bankers Association of Hawaii.

Your Committee finds that homeownership among residents contributes to strong communities and economic growth. Your Committee further finds that one of the largest barriers to homeownership is the lack of availability of down payment assistance. The downpayment loan program was established in 1995 to assist first time homebuyers with down payment loans, but the program has been inactive for some time due to funding and outdated programmatic constraints. This measure will facilitate homeownership by updating and expanding the downpayment 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 912, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 912, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 70 Housing on S.B. No. 967

The purpose and intent of this measure is to:

- (1) Close certain areas within Hawaii Public Housing Authority projects to the public;
- (2) Permit the prosecution with criminal trespass of unauthorized entry or a violation of a written prohibition to enter into a restricted housing project; and
- (3) Clarify requirements for signage notifying trespassers of illegal entry.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and three individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu and Ho'omana Pono, LLC.

Your Committee finds that criminal activity and disturbances caused by uninvited individuals are increasing in public housing projects in Hawaii. The perception that public housing projects are open to the public at all times makes these incidents difficult to prevent and resolve. Your Committee further finds that these incidents are detrimental to the safety of the residents and staff of Hawaii's public housing projects. This measure will clarify what property within public housing projects is closed to the public and assist law enforcement officers in ensuring the safety of public housing project residents and staff.

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 Housing 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 71 Education on S.B. No. 619

The purpose and intent of this measure is to require the Department of Education to create a K-12 curriculum to career pipeline initiative in collaboration with the Department of Business, Economic Development, and Tourism; Department of Labor and Industrial Relations; and University of Hawaii.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Your Committee received comments on this measure from the Department of Education and one individual.

Your Committee finds that a gap exists between the skills that are needed and expected by employers in the State and the current skill levels of certain sectors of the State's workforce. Employers have increasingly reported difficulties finding workers with the skills in coding, computer science, engineering, foreign languages, and other related fields to fill technology-based positions. Your Committee further finds that STEM jobs are expected to grow at an even greater rate in Hawaii than non-STEM jobs in the future. This measure will help to reduce the skills gap in the State by providing Hawaii's students with greater access to technical skill and STEM training.

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. 619 and recommends that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 72 Education on S.B. No. 1042

The purpose and intent of this measure is to allow public school students to enroll in career and technical programs in schools outside the service area in which they reside.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and Democratic Party of Hawaii. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that career and technical education programs give students the opportunity to explore and learn through the practical application of academic and technical skills and knowledge. As such, career and technical education programs are critical to building a robust skilled workforce in the State. Your Committee further finds that while students in any given complex area have a wide variety of interests and areas of aptitude, it is impossible to offer every career and technical education program at every school. This measure will allow students to pursue career and technical programs that fit their interests even if those programs are offered in schools outside of their service area.

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. 1042 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 73 Education on S.B. No. 1044

The purpose and intent of this measure is to appropriate monies to the Department of Education to provide engineering design process training sessions to teachers.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that subject-appropriate teaching strategies and techniques are vital to teachers in their mission to provide a quality education to Hawaii's students. Your Committee further finds that, especially in STEM fields, engineering design process techniques are particularly useful in the classroom. This measure will equip Hawaii's teachers to add engineering design process principles and techniques to their classes as appropriate.

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. 1044 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 74 Education on S.B. No. 1099

The purpose and intent of this measure is to:

- (1) Establish a service mark licensing agreement program within the Department of Education;
- (2) Authorize the Department to register service marks for Department programs and individual schools; and
- (3) Authorize the Department to enter into licensing agreements for the use of service marks and other commercial enterprises.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that sponsorships and partnerships between Department schools and private entities can provide valuable resources and benefits for a broad range of educational activities, such as scholarships, field trips, sports teams, and clubs. The ability to register and license service marks and engage in other commercial activities will give Department schools the power to pursue sponsorship opportunities that support the educational mission of the school and Department. Your Committee further finds that a licensing agreement program will provide Department programs and schools a means of controlling the use of their service marks by third parties.

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. 1099 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 75 Economic Development, Tourism, and Technology on S.B. No. 617

The purpose and intent of this measure is to support research, development, and innovation in science, technology, engineering, and mathematics by establishing a research and technology grant program to be administered by the High Technology Development Corporation.

Your Committee received testimony in support of this measure from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Chamber of Commerce Hawaii, Navatek, and six individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Industrial-Organizational Psychology. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that fostering education and job creation in science, technology, engineering, and mathematics is vital to the State. Your Committee also finds that the Legislature appropriates funds annually to education in these fields, but that education alone will not produce the jobs necessary for Hawaii youth and residents to thrive in those fields. Therefore, your Committee finds that establishing a research and technology grant program will be a positive way to nurture and cultivate educational opportunities and innovative economic growth through supporting technology companies.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 617 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 76 Economic Development, Tourism, and Technology on S.B. No. 762

The purpose and intent of this measure is to appropriate funds to the Department of Business, Economic Development, and Tourism to provide additional resources for the Small Business Regulatory Review Board.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; Chamber of Commerce Hawaii; The Hawaii Business League; Hawaii Cattlemens Council; Ocean Tourism Coalition; Ponoholo Ranch, Limited; and one individual.

Your Committee finds that the Small Business Regulatory Review Board serves an important function in state government by providing small business input into the rulemaking process. The Small Business Regulatory Review Board reviews, analyzes, and holds conferences regarding existing, new, and modified administrative rules. Your Committee finds that the work of the Small Business Regulatory Review Board is vital to the economy and to small businesses of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 762 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 77 Economic Development, Tourism, and Technology on S.B. No. 763

The purpose and intent of this measure is to appropriate funds to the High Technology Development Corporation for the Small Business Innovation Research program to support continued innovation in the State.

Your Committee received testimony in support of this measure from the Hawaii Strategic Development Corporation; High Technology Development Corporation; Chamber of Commerce Hawaii; Hawaii Biotech, Inc.; Hawaii Evolutionary Development, LLC; Hawaii Fish Company; HNu Photonics, LLC; Hyperspective Studios, Inc.; Kolohala Holdings, LLP; Maui Food Innovation Center; Nalu Scientific, LLC; Navatek; and Oceanit Laboratories, Inc.

Your Committee finds that the High Technology Development Corporation Small Business Innovation Research program helps businesses develop technology and innovation in the State. The program matches federal Small Business Innovation Research program grants. Your Committee finds that program's grant matching system is one of the key state components in diversifying and accelerating Hawaii's innovation and economy.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 763 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 78 Economic Development, Tourism, and Technology on S.B. No. 764

The purpose and intent of this measure is to appropriate funds to the High Technology Development Corporation for the Manufacturing Development Program.

Your Committee received testimony in support of this measure from the High Technology Development Corporation; Aloha Edibles, Inc.; Chamber of Commerce Hawaii; Diamond Bakery Company, Ltd.; First Commercial Kitchen LLC; Hawaii Fish Company; Hawaii Food Industry Association; HNu Photonics, LLC; Hyperspective Studios, Inc.; KYD, INC.; Maui Brewing Company; Meadow Gold Dairies; and three individuals. Your Committee received comments on this measure from Big Island Brewhaus LLC.

Your Committee finds that the Manufacturing Development Program has helped aid manufacturing companies in the State through its program grants. Hawaii manufacturers face challenges related to high costs of energy and shipping. Your Committee finds that program grants help manufacturing companies to invest in manufacturing equipment, training for employees on new equipment, energy efficiency, product expansion, and feasibility studies. Your Committee further finds that the continuation of the program and grants will help fuel manufacturing in Hawaii and increase the production of goods for local consumption and export.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 79 Economic Development, Tourism, and Technology on S.B. No. 761

The purpose and intent of this measure is to appropriate funds to the Hawaii Strategic Development Corporation to continue the programs under the HI Growth Initiative.

Your Committee received testimony in support of this measure from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Natural Energy Laboratory of Hawaii Authority, Chamber of Commerce Hawaii, Maui Food Innovation Center, Blue Startups, brandCrowder Inc, Comprendio, Energy Excelerator, GVS Accelerator, Hawaii Wild Side LLC, Hostfully, Reef Capital Ventures, Virtual Fantasy League Inc., and thirteen individuals.

Your Committee finds that the HI Growth Initiative is designed to achieve the state economic development objectives to transform and maintain Hawaii as a place that welcomes and facilitates innovative economic activity. Your Committee finds that the HI Growth Initiative fills a critical role in the State by providing new companies with investment and funding opportunities. Your Committee further finds that increased funding will allow the HI Growth Initiative to support accelerator programs that are the foundation of Hawaii's growing entrepreneurial ecosystem.

Your Committee has amended this measure by deleting all specific dollar amounts in the appropriation sections.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 80 Judiciary and Labor on S.B. No. 123

The purpose and intent of this measure is to:

- (1) Repeal the requirement that the middle or last names, or any combination of such names, the middle and last name or names to be used after a marriage or civil union be legally used at any time, past or present, by either spouse or civil union partner, as applicable;
- (2) Clarify that a person is not required to change that person's middle or last name upon entering into a marriage or civil union; and
- (3) Allow parties to a marriage or civil union to choose any middle or last name to use upon entering into a marriage or civil union.

Your Committee received testimony in support of this measure from three individuals.

Your Committee finds that existing law allows spouses in a marriage or partners in a civil union to declare the middle and last names each will use as a married person or civil union partner as long as the middle or last name chosen by each was legally used at any time, past or present, by either spouse or partner. This measure reflects the current trend and practices with regard to selecting a middle or last name upon marriage or a civil union by allowing spouses or partners to choose any middle or last name or not change their names at all.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 123, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 123, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 81 Judiciary and Labor on S.B. No. 316

The purpose and intent of this measure is to clarify that any restitution owed to fully reimburse a crime victim for the victim's losses includes expenses for mental health treatment, counseling, and therapy, and lost earnings, including paid leave.

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 Hawaii; Hawaii State Coalition Against Domestic Violence; and two individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that crime victims may experience various types of injuries other than physical injuries. Trauma from victimization can result in a range of reactions that may require immediate crisis response to prevent or mitigate long-term psychological and emotional consequences. Furthermore, victimization can result in missed work days and loss of income. This measure ensures that a crime victim is fully reimbursed for losses as a result of a crime by clarifying that restitution includes expenses for mental health treatment, counseling, and therapy, and lost earnings.

While your Committee notes that lost wages should be included in the restitution owed to a crime victim, paid leave is a benefit that not all employees are conferred and is a benefit for which the employer, rather than employee, bears the cost.

Accordingly, your Committee has amended this measure by:

- (1) Excluding paid leave as lost earnings eligible for restitution;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 316, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 316, 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. 82 Agriculture and Environment on S.B. No. 416

The purpose and intent of this measure is to create an exclusion from income tax for the first \$50,000 of income earned by farmers whose annual gross income is \$200,000 or less.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; and Hawaii Cattlemen's Council, Inc. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the growth of small, diversified farming businesses adds to and diversifies Hawaii's economy. Your Committee finds that the creation of an exclusion from income tax for the first \$50,000 of income earned for such businesses will encourage the growth of new, small, and diversified farming businesses, will not significantly affect tax collections by the State, and will improve the long-term economic well-being of the State.

Your Committee has amended this measure by:

- (1) Specifying that "farmer" means an individual earning more than seventy-five per cent of the individual's gross income from farm products grown and sold by the individual in the State;
- (2) Applying the exclusion to taxable years beginning after December 31, 2017; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 416, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 416, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3; Ayes with Reservations (Rhoads). Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 83 Agriculture and Environment on S.B. No. 554

The purpose and intent of this measure is to create an exclusion from general excise tax for the gross proceeds of a qualified small farmer from the sale of produce.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; and Hawai'i Farm Bureau. 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 the growth of small, diversified farming businesses adds to and diversifies Hawaii's economy. Your Committee finds that the creation of an exclusion from general excise tax for the gross proceeds of qualified small farmers will encourage the growth of new, small, and diversified farming businesses, will not significantly affect tax collections by the State, and will improve the long-term economic well-being of the State.

Your Committee has amended this measure by:

- (1) As recommended by the Department of the Attorney General, removing language that requires a "qualified small farmer" to cultivate land in the State;
- (2) As recommended by the Department of Agriculture, specifying that a "qualified small farmer" must grow produce on a parcel of land that is classified and zoned as agricultural land by the Land Use Commission and county in which it is located, respectively;
- (3) Specifying that a "qualified small farmer" must grow produce on a parcel of land no larger than nine acres;
- (4) Applying the exemption to gross income or gross proceeds received after December 31, 2017, and before January 1, 2023; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 554, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Rhoads). Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 84 Agriculture and Environment on S.B. No. 624

The purpose and intent of this measure is to require the Governor and Board of Agriculture to develop a strategic plan outlining benchmarks to achieve the Governor's goal of doubling food production by 2020.

Your Committee received testimony in support of this measure from the Department of Agriculture; Ka 'Ohana O Na Pua; Hawaii Center for Food Safety; Hawaii Sustainable Farms LLC; Ponoholo Ranch, Limited; and seven individuals. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that Governor Ige recently set the policy goal of doubling food production by 2020; however, details on how to achieve this objective have yet to be identified. Factors including preservation of agricultural land, identification of food crops for local production, irrigation and agricultural infrastructure improvements, and compliance with the federal Food Safety Modernization Act need immediate attention in order for the goal of doubling food production by 2020 to be a realistic objective.

Your Committee has amended this measure by:

- (1) As recommended by the Department of Agriculture, replacing the Board of Agriculture with the Department of Agriculture as the entity responsible for developing the strategic plan;
- (2) Specifying that the Department of Agriculture shall submit the strategic plan, rather than a report, to the Legislature; 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 and Environment 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 85 Agriculture and Environment on S.B. No. 708

The purpose and intent of this measure is to prohibit:

- (1) The creation of a condominium property regime on agricultural land twenty-five acres or greater;
- (2) A condominium property regime on agricultural land from being amended to allow a residential dwelling;
- (3) The subdivision of agricultural land twenty-five acres or greater for the purpose of creating a condominium property regime; and
- (4) Any residential project created as a condominium under chapter 514B, Hawaii Revised Statutes, or a planned community association under chapter 421J, Hawaii Revised Statutes, in class A or B agricultural lands.

Your Committee received testimony in support of this measure from the Department of Agriculture; Land Use Commission; Planning Department of the County of Kaua'i; Kailua Neighborhood Board; Hawaii's Thousand Friends; and seven individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS; Hawaii Cattlemen's Council, Inc.; and Ponoholo Ranch, Limited. Your Committee received comments on this measure from the Office of Planning.

Your Committee finds that agricultural lands are a limited resource within the State that should be used for agricultural purposes. Currently, the condominium property regime process may be used to subdivide large agricultural lots into parcels that are too small for agricultural purposes, thus leading to the development of "gentleman farms", which are low density, large subdivisions. Your Committee further finds that this use of the condominium property regime process allows for significant abuse and costs to the State and counties, and limits the public's right to have impacts reviewed and mitigated; therefore, your Committee supports limitations on the use of the condominium property regime process on agricultural lands.

Your Committee has amended this measure by:

- (1) Inserting a purpose section to, among other things, state that the intent of this measure is to prevent "gentlemen farms" and ensure that future use of agricultural lands is for bona fide agricultural operations;
- (2) Replacing a reference to "residential project" with "a project consisting of single-family dwellings";
- (3) Stipulating that 205-4.5(a)(4), Hawaii Revised Statutes, does not apply to plantation community subdivisions permitted under section 205-4.5(a)(12), 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.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 708, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 708, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 86 Agriculture and Environment on S.B. No. 781

The purpose and intent of this measure is to establish the Agricultural 2030 Investment Program and Farm to Plate Program in the State.

Your Committee received testimony in support of this measure from the Hawaii Center for Food Safety, Hawaii Farm Bureau, Maui County Farm Bureau, Farm lovers Farmers Market, and two individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that there are historic and recent threats to the future of agriculture in the State, including the loss of sugar and pineapple plantations and dairy farms, rising energy and feed costs, the volatility of commodity markets, mainland and global competition, and climate change. There are also many signs of expansion and opportunity, especially for diversified and specialty niche farms, including organic farm operations. Your Committee finds that greater investment in agriculture will increase economic development, create jobs, improve access to healthy food, and improve biosecurity.

Your Committee has amended this measure by:

- (1) Extending the date by which the Department of Agriculture must create a strategic plan for agricultural economic development to December 1, 2018; and
- (2) Making 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 781, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 781, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 87 Agriculture and Environment on S.B. No. 783

The purpose and intent of this measure is to extend the important agricultural land qualified agricultural cost tax credit beyond 2017 and repeal the qualification that the tax credit may only be claimed after the attractions and educational facilities tax credit for Ko Olina Resort and Marina and Makaha Resort is repealed, exhausted, or expired.

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 Taxation and Tax Foundation of Hawaii.

Your Committee finds that the clearing of and soil restoration to fallow pineapple and sugar plantation lands can be costly to farmers wishing to use the land for agricultural purposes. This measure is intended to assist such farmers and encourage greater growth of the State's agricultural industry.

Your Committee has amended this measure by specifying that "qualified agricultural costs" include expenditures for the clearing of, removal of trees and debris from, and soil restoration to correct any nutrient deficiency that is present on, former sugar and pineapple plantation lands.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 783, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 88 Agriculture and Environment on S.B. No. 803

The purpose and intent of this measure is to create an income tax credit for qualified expenses incurred by qualified taxpayers to comply with the federal Food Safety and Modernization Act.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Maui County Farm Bureau; Hawaii Center for Food Safety; Hawaii Cattlemen's Council, Inc.; and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the purpose of the FDA Food Safety Modernization Act is to ensure that the United States food supply is safe by shifting the focus from responding to contamination to preventing it. Your Committee also finds that it may be difficult and costly for farmers and ranchers in the State to comply with the requirements of the FDA Food Safety Modernization Act. Your Committee believes that this measure will support Hawaii's agricultural industry by assisting farmers and ranchers with FDA Food Safety Modernization Act compliance.

Your Committee has amended this measure by:

- (1) Inserting a new section to establish the Food Safety Modernization Act special fund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 89 Agriculture and Environment on S.B. No. 881

The purpose and intent of this measure is to establish in the Agribusiness Development Corporation a grant program to provide financial support for agriculture-related improvements to existing and emerging farms and agribusiness operations.

Your Committee received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Agriculture Research Center; Hawai'i Farm Bureau; and Ponoholo Ranch, Limited.

Your Committee finds that the ability for the Agribusiness Development Corporation to issue grants will provide the means to assist local farming operations, make investments to strengthen and diversify Hawaii's agriculture, attract and retain businesses, and streamline the Corporation's operations. Your Committee further finds that a grant program may help foster partnerships to facilitate agribusiness projects and help grow Hawaii's agriculture industry.

Your Committee has amended this measure by:

- (1) Inserting a grant cap of \$100,000 per person per year;
- (2) Applying the grant cap of \$100,000 per qualified person per year to qualified entities as well; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 881, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 90 Agriculture and Environment on S.B. No. 162

The purpose and intent of this measure is to allow consumers to acquire raw milk and raw milk products from producers registered with the Department of Health for pet use, if certain conditions are met, including a label indicating that raw milk and raw milk products are not pasteurized and are only intended for consumption by pet animals.

Your Committee received testimony in support of this measure from Hawaii Farmers Union United, Naked Cow Dairy, Miss Rodeo Program Hawaii, Wai'anae Coast Neighborhood Board, and ten individuals. Your Committee received testimony in opposition to this measure from the Department of Health, Hawai'i Farm Bureau, and two individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that legalization of raw milk for consumption by consumers is a growing trend throughout the United States. Thirteen states allow sales of raw milk and, with the exception of Michigan, no state expressly prohibits the sale of raw milk as animal feed. However, your Committee also recognizes the fact that the Department of Health has very serious concerns regarding the safety of raw milk.

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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 162, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 162, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Rhoads). Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 91 Commerce, Consumer Protection, and Health on S.B. No. 332

The purpose and intent of this measure is to prohibit a commissioned notary public from accepting a limited purpose driver's license for verification of identification.

Your Committee received testimony in support of this measure from the Association of Hawaii Notaries.

Your Committee finds that limited purpose driver's licenses are not compliant with the federal REAL ID Act, are not accepted for official federal purposes, and do not establish eligibility for employment, voter registration, or public benefits. According to testimony received by your Committee, because a limited purpose driver's license fails to comply with the REAL ID Act, there may be an increased potential for the use of fraudulent documentation to obtain this type of license.

Your Committee further finds that notaries public are public officers whose duties include protecting a transaction from fraud. Notaries public should be reasonably sure that the document they are using to verify a person's identity meets standards for issuance that are equal to the minimum federal standard. Since limited purpose driver's licenses have a lower standard for issuance than the standard required for a regular driver's license, this measure specifies that commissioned notaries are prohibited from accepting this type of license for purposes of identification verification.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 92 Commerce, Consumer Protection, and Health on S.B. No. 394

The purpose and intent of this measure is to:

- (1) Establish criminal penalties for real estate brokers for improper deposit, segregation, or disposition of client trust account funds;
- (2) Require the principal broker to report the client trust account number and name of the managing institution to the Real Estate Commission and notify the Commission of any change in account number or location within ten days; and
- (3) Authorize the Real Estate Commission to take action in circuit court to enforce client trust account requirements.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Real Estate Commission. Your Committee received comments on this measure from one individual.

Your Committee finds that, to ensure consumers are appropriately protected, property management companies should utilize client trust accounts and have clear rules associated with the use of client trust accounts. However, your Committee notes that existing law does not contain sufficient protections to safeguard client information and funds held in client trust accounts.

Accordingly, this measure ensures greater consumer protections by creating the criminal offense of theft, with regard to client trust accounts, and requiring principal brokers to file with the Real Estate Commission the client trust account number and name of the financial institution at which the client trust account is held. This measure also enables the Regulated Industries Complaints Office to expedite investigations of alleged client trust account violations and pursue court action, in addition to existing administrative remedies, to address client trust account violations.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 394 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 93 (Joint) Higher Education and Judiciary and Labor on S.B. No. 723

The purpose and intent of this measure is to respond to workforce needs in Hawaii by:

- (1) Adding as a purpose of the University of Hawaii Community College System the provision of occupational training and certification programs designed to rapidly qualify persons to fill new and hard-to-fill position classes of the State, counties, and private sector that require technical skills; and
- (2) Appropriating funds to the University of Hawaii for occupational training and certification programs designed to rapidly qualify persons to fill new and hard-to-fill classes of non-professional positions.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Department of Human Resources Development, and one individual. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that today's economy requires colleges to continually respond to the changing technical workforce demands in order to fill emerging employment positions and upgrade the skills of existing workers to meet changing requirements of their positions. Your Committees further find that community colleges are a critical component of providing individuals with occupational and certification program career options to meet the workforce needs of the public and private sectors in Hawaii. For example, short-term, rapid response training is needed to fill informational technology positions, security service positions, health and home care positions, and agricultural positions. Therefore, your Committees find that it is important for the University of Hawaii Community College System to continue providing short-term, rapid response training to meet the continually changing requirements of the State's economy, and to make this responsibility explicit under state law.

Your Committees have amended this measure by inserting an effective date of May 12, 2059, to encourage further discussion.

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. 723, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 723, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Higher Education: Ayes, 5. Noes, none. Excused, none.
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Thielen).

SCRep. 94 (Joint) Higher Education and Judiciary and Labor on S.B. No. 1112

The purpose and intent of this measure is to require the University of Hawaii at Manoa to provide its nonsupervisory blue collar employees in bargaining unit (1) and supervisory blue collar employees in collective bargaining unit (2), or one of their family members, with a tuition waiver benefit comparable to the tuition waivers provided to faculty and their family members.

Your Committees received testimony in support of this measure from United Public Workers, Hawaii Government Employees Association, and three individuals. Your Committees received testimony in opposition to this measure from the University of Hawai'i System and Office of Collective Bargaining.

Your Committees find that while faculty enjoy educational benefits such as tuition waivers, those same benefits are not afforded to the blue collar nonsupervisory employees in collective bargaining unit (1) or supervisory blue collar employees in collective bargaining

unit (2). Your Committees find that it is important to further the equitable provision of employee benefits at the University of Hawaii at Manoa. Your Committees heard testimony from the University of Hawaii expressing concerns about the cost and scope of the benefit provided in this measure as well as existing policies of the University that provide a tuition waiver to certain University employees.

Accordingly, your Committees have amended this measure by:

- (1) Inserting an effective date of May 12, 2059, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 1112, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1112, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Thielen).

SCRep. 95 Water and Land on S.B. No. 709

The purpose and intent of this measure is to appropriate funds for the operational budget of the Department of Land and Natural Resources for Nā Ala Hele, the Hawaii statewide trail and access program, to improve access to and maintenance of state controlled recreational trails, and to phase in budget increases for the Nā Ala Hele over the next five years to keep pace with inflation.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Sierra Club of Hawai'i, Maunawili Estates Community Association, and eleven individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that there are one hundred twenty-eight trail-and-road features spanning approximately eight hundred fifty-five miles in the statewide trail and access program. Your Committee further finds that hiking is a popular activity in Hawaii, and there is a high demand for more trails and greater and improved trail facilities and maintenance; the current volume of trail use combined with weathering necessitate a higher level of development and maintenance than is currently possible under budgeted funds. Your Committee further finds that appropriations for Nā Ala Hele have not kept pace with inflation - the 1992 budget of \$2,000,000 is the equivalent of approximately \$3,440,527.50 in 2016 dollars when adjusted for inflation - and it is in the public interest to phase in budget increases for Nā Ala Hele.

Your Committee has amended this measure by:

- (1) Stating the intent of the Legislature to continue to phase in budget increases for Nā Ala Hele and stating suggested appropriation amounts for future fiscal years;
- (2) Deleting the appropriation amounts for fiscal years 2019-2020, 2020-2021, and 2021-2022 to avoid binding future legislatures;
- (3) Inserting appropriation amounts for fiscal years 2017-2018 and 2018-2019; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land 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 Second Reading in the form attached hereto as S.B. No. 709, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 96 Water and Land on S.B. No. 990

The purpose and intent of this measure is to clarify the conditions that must be met by applicants to receive funds under the Forest Stewardship Program.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Environmental Quality Control, Hawai'i Forest Industry Association, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that sixty-six percent of forest lands in Hawaii are privately owned. The Forest Stewardship Program provides technical and financial assistance to private landowners and long-term leaseholders of forest lands in managing, protecting, and restoring important natural resources in Hawaii's forested and formerly forested lands. Your Committee further finds that properly managed forest resources provide vital public and private socioeconomic and environmental benefits. Your Committee further finds that the clarifications to the Forest Stewardship Program offered in this measure will reduce financial barriers to program participation by increasing reimbursement rates for the development of forest stewardship management plans, and will further increase program participation by clarifying eligibility requirements.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 990, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 990, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 97 Water and Land on S.B. No. 690

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to increase staff capacity in the Division of Forestry and Wildlife for habitat conservation.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Conservation Council for Hawai'i, and Americans for Democratic Action Hawai'i.

Your Committee finds that habitat conservation plans, safe harbor agreements, incidental take licenses, and subsequent actions are essential to increasing the population of threatened and endangered species in Hawaii. Your Committee further finds that there has been an increase in applications and proposals for habitat conservation plans and safe harbor agreements and additional staff is needed at the Division of Forestry and Wildlife to effectively manage, monitor, and implement the plans, agreements, and other projects that are extremely beneficial to the recovery of threatened and endangered species in Hawaii.

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. 690 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 98 (Joint) Judiciary and Labor and Commerce, Consumer Protection, and Health on S.B. No. 948

The purpose and intent of this measure is to allow the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to employ or retain an attorney to represent or provide legal services for the Division or State on any matter rather than only mortgage loan recovery fund actions.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that existing law allows the Division of Financial Institutions of the Department of Commerce and Consumer Affairs to employ and retain attorneys only for actions involving the mortgage loan recovery fund. However, a majority of the Division's need for attorney assistance is outside the scope of what the law permits. This measure will assist in increasing the Division's efficiency and streamlining its regulatory processes.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 948 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 99 (Joint) Judiciary and Labor and Higher Education on S.B. No. 429

The purpose and intent of this measure is to adopt uniform laws to protect the online accounts of employees and students from employers and educational institutions, respectively.

Your Committees received testimony in support of this measure from the Hawai'i Civil Rights Commission, Commission to Promote Uniform Legislation, Graduate Student Organization, Internet Coalition, and two individuals. Your Committees received comments on this measure from the Department of the Attorney General, University of Hawai'i System, and American Civil Liberties Union of Hawai'i.

Your Committees find that as more individuals subscribe to social media, privacy is a growing concern. Employers increasingly ask current and prospective employees to grant the employer access to social media accounts. Likewise, many educational institutions seek to examine the social media presence of current and prospective students. The Uniform Employee and Student Online Privacy Protection Act, completed by the Uniform Law Commission in 2016, addresses employers' access to employees or prospective employees' social media and other online accounts accessed via username and password or other credentials of authentication as well as post-secondary educational institutions' access to students' or prospective students' similar online accounts. Your Committees further find that although at least seventeen states have enacted laws regarding employee and student online privacy since 2012, Hawaii is the first state to introduce this uniform legislation.

Your Committees have amended this measure by:

- (1) As recommended by the Department of the Attorney General, specifying that the Attorney General may bring a civil action in district court against an employer or educational institution in violation;
- (2) Specifying that an employee or student may bring a civil action in district court against the individual's employer or educational institution for a violation;
- (3) Inserting an effective date of January 7, 2019, 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 Judiciary and Labor and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 429, as amended herein, and recommend

that it pass Second Reading in the form attached hereto as S.B. No. 429, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.
 Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Thielen).
 Higher Education: Ayes, 5. Noes, none. Excused, none.

SCRep. 100 (Joint) Judiciary and Labor and Higher Education on S.B. No. 406

The purpose and intent of this measure is to allow full-time graduate student assistants employed by the University of Hawaii to collectively bargain.

Your Committees received testimony in support of this measure from the University of Hawaii Professional Assembly, Hawaii Government Employees Association, International Longshore and Warehouse Union Local 142, Americans for Democratic Action, Hawaii State American Federation of Labor and Congress of Industrial Organizations, Graduate Student Organization, IMUAlliance, Hawaii Democratic Party Labor Caucus, Hawaii State Teachers Association, and sixteen individuals. Your Committees received testimony in opposition to this measure from the Office of Collective Bargaining, Department of Budget and Finance, and University of Hawai'i System.

Your Committees find that graduate student assistants employed by the University of Hawaii encounter numerous work-related issues including but not limited to budget reductions and increases in class size and workload. However, under existing law, graduate student assistants are not authorized to collectively bargain. Implementation of this measure will further higher education in the State and provide graduate student assistants employed at the University of Hawaii with a unified voice to discuss working conditions, wages, and benefits.

Your Committees have amended this measure by inserting an effective date of January 7, 2059, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Higher Education 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
 Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Thielen).
 Higher Education: Ayes, 5. Noes, none. Excused, none.

SCRep. 101 Judiciary and Labor on S.B. No. 247

The purpose and intent of this measure is to:

- (1) Require the recount of all votes cast for any office at any election, at no cost to any candidate, when the margin of victory is less than two hundred fifty votes or less than one percent of the votes cast, whichever is less;
- (2) Require that the mandatory recount of votes be completed and results announced no later than the ninth day following the election;
- (3) Require the Chief Election Officer to adopt rules to implement a mandatory recount of votes;
- (4) Clarify that a mandatory recount of votes applies to votes counted pursuant to section 11-151, Hawaii Revised Statutes;
- (5) Include a comparison and reconciliation of the results of any mandatory recount of votes in the comparison and reconciliation upon which the certification of election results is based; and
- (6) Require that a complaint pertaining to votes subject to a mandatory recount be filed with the Supreme Court no later than thirteen days following the election.

Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Office of Elections.

Your Committee finds that there have been a number of close election races in Hawaii in the past. This measure establishes a process for the automatic recounting of votes cast in the event of a close election result at no cost to the candidates.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 247, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 247, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
 Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 102 Judiciary and Labor on S.B. No. 412

The purpose and intent of this measure is to:

- (1) Replace the Hawaii election campaign fund with the general revenues of the State as the funding source for the operating expenses of the Campaign Spending Commission; and
- (2) Appropriate funds to the Campaign Spending Commission for its operating expenses, including staff salaries and fringe benefits.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, The Libertarian Party of Hawaii, Americans for Democratic Action Hawaii, and Common Cause Hawaii.

Your Committee finds that the operating expenses of the Campaign Spending Commission are paid out of the Hawaii election campaign fund. This fund was established for the partial public financing of campaigns in the State. However, the balance of the fund has declined steadily due to the Commission relying on the fund to support nearly all of its operating expenses. According to written testimony submitted by the Campaign Spending Commission, for the past ten fiscal years, the Commission has been operating at an average net deficit of approximately \$413,000, and the Commission's attempts to increase revenue for the fund have been unsuccessful. The Commission projects that by November 2017, the fund will be near depletion and the Commission will be unable to implement the partial public funding program for elections beginning with the 2018 election. This measure provides a steady source of funding for the operating expenses of the Campaign Spending Commission without impacting the balance of the Hawaii election campaign fund.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Campaign Spending Commission that allows the Commission to use monies from the Hawaii election campaign fund for investigative purposes if the Commission determines that its operating expenses appropriated from general revenues will be insufficient to cover the costs of investigations;
- (2) Changing the appropriation amount from \$495,506 to \$505,585 to reflect the amount for operating expenses of the Campaign Spending Commission requested under H.B. No. 100, Regular Session of 2017, as amended; and
- (3) Inserting an effective date of January 7, 2059, 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. 412, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 412, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 103 Education on S.B. No. 687

The purpose and intent of this measure is to:

- (1) Broaden the scope of the early learning program to include early childhood development;
- (2) Expand the function of the Early Learning Advisory Board beyond an advisory capacity and amend the composition and powers of some board members;
- (3) Allow the board to appoint and evaluate the director of the Executive Office on Early Learning; and
- (4) Amend the enrollment priority for prekindergarten.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Hawaii Children's Action Network, Kamehameha Schools, Early Childhood Action Strategy, and two individuals.

Your Committee finds that high-quality early learning programs are beneficial to the children who participate in the programs and lead to increased success in school. Your Committee further finds that low-quality early learning programs can be significantly harmful to the development of participants. This measure will empower the Executive Office on Early Learning and the Early Learning Board to more effectively implement and support high-quality early learning programs throughout the State.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 687, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 104 (Joint) Agriculture and Environment and Education on S.B. No. 1195

The purpose and intent of this measure is to appropriate funds for the operations of the K-12 agriculture workforce development pipeline initiative.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Education, Department of Labor and Industrial Relations, University of Hawai'i System, Hawai'i Farm Bureau, Hawaii Crop Improvement Association, and two individuals.

Your Committees find that Act 229, Regular Session of 2016, implemented the recommendation of the Hawaii Agriculture Workforce Advisory Board to establish the agriculture workforce development pipeline initiative to conduct training on all islands for

teachers and school administrators in agricultural self-sufficiency. Your Committees also find that financial support for the initiative is in the best interest of the State as it promotes the expansion and development of the State's agricultural workforce and industry.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1195 and recommend that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

Education: Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 105 (Joint) Agriculture and Environment and Education on S.B. No. 882

The purpose and intent of this measure is to designate the month of October as "Farm to School Month in Hawaii".

Your Committees received testimony in support of this measure from the Department of Health, Department of Agriculture, Department of Education, University of Hawai'i System, Hawaii Crop Improvement Association, Hawaii Farm Bureau, and one individual.

Your Committees find that farm to school initiatives connect schools and local farms, with the objective of serving healthy meals in school cafeterias, improving student nutrition, and lowering childhood obesity. Such initiatives give students access to fresh, local foods and numerous educational opportunities. Farm to school programs already exist in schools in Hawaii, and your Committees further find that the United States Congress has designated October as National Farm to School Month. This measure would align Hawaii's farm to school policy with the national initiative and draw attention within the State to the important issue of sustainable, healthy, local food in Hawaii's schools. Your Committees additionally find that the average age of commercial farmers in Hawaii is over sixty years old; therefore, encouraging students to enter or develop the farming workforce will benefit the industry.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 882 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 and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

Education: Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 106 (Joint) Agriculture and Environment and Education on S.B. No. 807

The purpose and intent of this measure is to establish a farm to school grant program within the Department of Agriculture.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Education, State Procurement Office, Hawaii Center for Food Safety, Hawaii Crop Improvement Association, Hawai'i Farm Bureau, Hawai'i Public Health Institute, Farm Lovers Farmers Markets, and two individuals. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that farm to school activities support a nutritious school food environment and that more than eighty-five percent of the youth in Hawaii attend public schools. Students who participate in farm to school activities are more likely to be familiar with, have a preference for, and consume more fruits and vegetables at school and at home, thereby establishing healthy behaviors at an early age that may prevent the onset of chronic diseases and other health conditions later in life. Your Committees further find that participation in the farm to school program may be financially constraining for many farmers due to the high costs of compliance with federal law and regulations regarding food safety.

Your Committees have amended this measure by:

- (1) Inserting an appropriation to the Department of Education for the establishment of a farm to school coordinator position and a farm to school grant program special fund manager; 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 Environment and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 807, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 807, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

Education: Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 107 Commerce, Consumer Protection, and Health on S.B. No. 146

The purpose and intent of this measure is to allow an administrative order to authorize psychiatric treatment over a patient's objection.

Your Committee received testimony in support of this measure from the Department of Health and Hawaii Medical Association. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawai'i, Hawaii Disability Rights Center, and one individual.

Your Committee finds that it is important for the initiation of treatment for patients admitted to the Hawaii State Hospital, which is used primarily for forensic commitments, to be expedient in order to address patients' psychiatric symptoms, which often generate a

risk of safety to the patient and others. Expedient initiation of treatment will help maintain a safe and secure therapeutic environment for patients and staff, and have a positive impact on patients' length of stay.

Your Committee further finds that the current method to obtain an authorization to provide treatment over a patient's objection is by a judicial hearing. The time between petition and judicial hearing is unpredictable and is on average nearly seventeen days. Your Committee finds that other states have responded to the unpredictability and delay of waiting for court hearings by developing a non-judicial, administrative mechanism to review and authorize requests for treatment over a patient's objection. Your Committee recognizes the importance of providing the details of an administrative process for authorizing treatment over a patient's objection and believes that amendments to this measure are necessary to provide guidance for such a process.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Inserting language to create a new part in the Hawaii Revised Statutes to establish criteria for issuance of an administrative order for treatment over a patient's objection and criteria for an administrative authorization process to determine whether an administrative order for treatment over objection should be issued;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 146, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 146, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 108 Commerce, Consumer Protection, and Health on S.B. No. 240

The purpose and intent of this measure is to require the individuals employed as or in the role of the chief counsel and chief legal and regulatory advisor to the Public Utilities Commission to annually file a disclosure of financial interests with the State Ethics Commission.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Public Utilities Commission. Your Committee received comments on this measure from the Hawaii State Ethics Commission and Life of the Land.

Your Committee finds that important matters and key policies at the Public Utilities Commission are often discussed amongst the Public Utilities Commissioners and senior staff members. This measure increases transparency by requiring a senior staff member of the Public Utilities Commission who has a significant impact on the decisions made by the Commissioners to file an annual financial disclosure.

Your Committee has heard the concerns expressed by the Public Utilities Commission that this measure would require a non-decision making staff member to be subject to a financial disclosure requirement, a requirement that is not imposed on non-decision making staff of other state boards and commissions. Your Committee understands these concerns but notes that, due to the unique nature and operations of the Public Utilities Commission, the situation with senior staff of the Commission is not analogous to senior staff of other state boards and commissions. Your Committee notes that during discussions with the Public Utilities Commission at the public hearing on this measure, the Commission indicated that it would be amenable to requiring the Executive Officer of the Commission to file a financial disclosure statement.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the individual employed as or in the role of executive officer of the Public Utilities Commission is also required to annually file a disclosure of financial interests with the State Ethics Commission;
- (2) Deleting a reference to an individual employed as or in the role of chief legal and regulatory advisor to the Commission, as the chief counsel is the individual who serves the Commission in this capacity;
- (3) Specifying that the financial disclosures filed by the executive officer and chief counsel shall be made public; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 240, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 109 Commerce, Consumer Protection, and Health on S.B. No. 333

The purpose and intent of this measure is to increase notary public fees.

Your Committee received testimony in support of this measure from the Association of Hawaii Notaries.

Your Committee finds that notary public fees have not been amended since 1995. Accordingly, this measure increases the fees notaries public are entitled to demand and receive.

Your Committee has amended this measure by clarifying that the notary public fee for administration of oath also applies to affixing the certificate of oath to that document and includes up to one duplicate original.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 333, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 110 Commerce, Consumer Protection, and Health on S.B. No. 369

The purpose and intent of this measure is to prohibit associations of apartment owners, boards of directors, managing agents, resident managers, and condominium owners from retaliating or discriminating against a condominium owner who files a complaint; acts in furtherance of a complaint, report, or investigation of an alleged violation of the State's condominium laws or a condominium's governing documents; or exercises or attempts to exercise any right as a condominium owner.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners, Hui 'Oia 'i 'o, Mauna Luan, and six individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that although many condominium owners are comfortable raising condominium-related complaints or concerns to their association, its board, a managing agent, or a resident manager, this experience is not universal. Condominium owners who are not comfortable bringing up complaints or concerns may fail to do so because of a fear of retaliation. Accordingly, this measure strengthens protections for condominium owners by prohibiting condominium associations, boards, managing agents, resident managers, and other owners from retaliating or discriminating against a condominium owner who files a complaint, acts in furtherance of a complaint, report, or investigation of an alleged violation, or exercises or attempts to exercise any right as a condominium owner.

Your Committee has amended this measure by:

- (1) Extending the protections against retaliation to board members and employees of an association of apartment owners;
- (2) Inserting a definition of "retaliation";
- (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 Commerce, Consumer Protection, and Health 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 Second Reading in the form attached hereto as S.B. No. 369, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 111 Commerce, Consumer Protection, and Health on S.B. No. 399

The purpose and intent of this measure is to:

- (1) Increase the maximum authorized benefit per acupuncture treatment allowed under personal injury protection benefits provided through motor vehicle insurance; and
- (2) Tie increases in payments for acupuncture treatments in with annual increases, if any, to the Medicare Economic Index.

Your Committee received testimony in support of this measure from the Kailua Acupuncture Clinic; Maui Acupuncture; Windward Acupuncture; Ohana-Hale Acupuncture, Inc.; Mala Healing Arts; Institute of Clinical Acupuncture and Oriental Medicine; and nineteen individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, Property Casualty Insurers Association of America, and GEICO. Your Committee received comments on this measure from State Farm Mutual Automobile Insurance Company.

Your Committee finds that the reimbursement rate for licensed acupuncturists has not increased in almost twenty years. Your Committee further finds that this freeze has resulted in a reimbursement rate that has not kept up with inflation or the increased costs of providing care.

Your Committee has heard the concerns that this measure would affect underlying costs in certain areas of motor vehicle insurance. However, your Committee does not believe that enabling licensed acupuncturists to be compensated appropriately, like other health care providers, will be a significant cost-driver for motor vehicle insurance rates in Hawaii. Your Committee notes that tying acupuncture benefits to the charges permissible under the Workers' Compensation Supplemental Medical Fee Schedule will ensure that licensed acupuncturists are able to receive appropriate reimbursement for their services.

Your Committee has amended this measure by:

- (1) Repealing the ceiling for the authorized benefit per acupuncture treatment allowed under personal injury protection benefits;

- (2) Deleting the language that would have tied increases in payments for acupuncture treatments to any annual increases to the Medicare Economic Index;
- (3) Specifying that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits shall be tied to the charges, and any subsequent increases in charges, permissible under the Workers' Compensation Supplemental Medical Fee Schedule;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 399, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 399, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 112 Housing on S.B. No. 377

The purpose and intent of this measure is to establish an income tax credit for taxpayers who lease housing to certain low-income tenants.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that there is a shortage of affordable housing in the State, including a lack of affordable rental property. Your Committee further finds that one contributing factor to the lack of affordable rental housing is the high costs of property ownership, which encourage many landlords to enter into interval or short-term rentals rather than workforce-eligible rentals. This measure will incentivize landlords to offer workforce-eligible rentals by providing a tax credit that will reduce the costs of affordable rental property ownership.

Your Committee has amended this measure by:

- (1) Specifying the amount of the tax credit as ten percent of rent collected per housing unit, per month, up to a maximum of \$2,000 per taxpayer per year;
- (2) Removing the residency requirement for the tax credit;
- (3) Changing the maximum income for an eligible tenant to eighty percent of the area median income;
- (4) Applying the credit to taxable years beginning after December 31, 2017; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 377, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 377, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Nishihara).

SCRep. 113 Ways and Means on S.B. No. 1234

The purpose and intent of this measure is to correct an error in the Supplemental Appropriations Act of 2016.

Specifically, this measure clarifies that the county affiliated with the construction for which funds were appropriated to the Kahoolawe Island Reserve Commission is the County of Maui, not the County of Hawaii.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Kahoolawe Island Reserve Commission, and one individual.

Your Committee finds that the intent of Act 124, Session Laws of Hawaii 2016, section 5, item D-14, was to appropriate funds for the plans and design of the Kahoolawe Island Reserve Commission education center, exhibit area/visitor center, and administrative building in Kihei, Maui. The amendment made by this measure will correct an inadvertent error in Act 124 to clarify that the Kahoolawe Island Reserve Commission is affiliated with the County of Maui, instead of the County of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1234 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, 8. Noes, none. Excused, 3 (Harimoto, Taniguchi, Wakai).

SCRep. 114 Hawaiian Affairs on S.B. No. 55

The purpose and intent of this measure is to effectuate the title of this Act.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to:

- (1) Designate kalo as the official state food dish; and
- (2) Designate the month of June as "Lū'au Month" in Hawaii.

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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 55, as amended herein, and recommends that it be recommitted to your Committee on Hawaiian Affairs, in the form attached hereto as S.B. No. 55, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 115 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 531

The purpose and intent of this measure is to appropriate funds to the Executive Office on Aging for the Healthy Aging Partnership Program to further the program's vital role in improving the health and well-being of Hawaii's kupuna.

Your Committees received testimony in support of this measure from the Executive Office on Aging; Hawaii Family Caregiver Coalition; Maui County Office on Aging; Elderly Affairs Division of the Department of Community Services, City and County of Honolulu; AARP Hawaii; Policy Advisory Board for Elder Affairs; International Longshore and Warehouse Union Local 142 Hawaii; and seven individuals.

Your Committees find that the Healthy Aging Partnership Program aims to improve the health of older adults and empower them to stay healthy, active, and socially engaged. The program serves as an important link between clinical support for patients and community resources for lifestyle change. Your Committees further find that the program operates two evidence-based intervention programs that have demonstrated that older adults with chronic conditions and their caretakers benefit by focusing on self-management as an integral method to avoiding long term complications from chronic conditions.

Your Committees also find that the Healthy Aging Partnership Program is a worthwhile investment for the State, as preventing disease and disability is far less expensive than resulting health and social services for persons needing treatment. Your Committees note testimony by the Executive Office on Aging that there is no funding to sustain the program beginning in fiscal year 2017-2018 and without additional funding the program may no longer be able to offer certain existing programs to Hawaii's seniors.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 531 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).
Human Services: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 116 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 536

The purpose and intent of this measure is to support longer, healthier lives for Hawaii's kupuna by appropriating funds to the Department of Health for a fall prevention and early detection coordinator position.

Your Committees received testimony in support of this measure from the Elderly Affairs Division of the Department of Community Services, City and County of Honolulu; Maui County Office on Aging; AARP Hawaii; Project Dana; International Longshore and Warehouse Union Local 142 Hawaii; and three individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that falls are among the leading causes of hospitalization and severe injury among the elderly. On average for Hawaii, 85 seniors die, 1,960 are hospitalized, and 8,700 are treated in emergency departments as a result of falls every year. Although a preventable occurrence, falls can seriously affect the quality of life for the elderly and also impact healthcare costs for the community. In Hawaii, falls among older adults result in almost \$1,200,000 in hospital and physician charges.

Your Committees further find that Act 153, Session Laws of Hawaii 2014, established a fall prevention and early detection coordinator position within the Department of Health's Emergency Medical Services and Injury Prevention System Branch but only funded the position for the 2014-2015 fiscal year. Your Committees recognize that fall prevention programs and services need continued support in order to serve Hawaii's kupuna and address this important public health issue.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 536 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).
Human Services: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 117 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 528

The purpose and intent of this measure is to support Hawaii's constantly growing aging population by appropriating funds to the Department of Health for the Kupuna Care Program.

Your Committees received testimony in support of this measure from the Executive Office on Aging; Maui County Office on Aging; Elderly Affairs Division of the Department of Community Services, City and County of Honolulu; Alzheimer's Association, Aloha Chapter; Healthcare Association of Hawaii; AARP Hawaii; Lanakila Pacific; Catholic Charities Hawaii; Child and Family Service; Policy Advisory Board for Elder Affairs; International Longshore and Warehouse Union Local 142 Hawaii; and sixteen individuals.

Your Committees find that the Kupuna Care Program assists frail adults age sixty and older with leading independent, meaningful, and dignified lives by providing a continuum of home and community based services and supports. In 2015, the program served 4,872 kupuna in Hawaii, providing these seniors with access to a consistent continuum of care as their access to resources, their support systems, and individual capacity change over time. Your Committees received testimony from the Executive Office on Aging indicating that without the requested funding, the Kupuna Care Program would have to reduce services by forty-four percent and would only be capable of serving 2,744 seniors.

Your Committees find that the Kupuna Care Program aims to allow Hawaii's kupuna to age in place and prevent or delay the need for restrictive levels of care. Keeping seniors healthy and at home is the most cost-effective way to address the rapidly increasing population of adults age sixty and older in the State. Your Committees further find that the Kupuna Care Program utilizes a comprehensive person-centered approach, and has core services to support individuals in need of assistance to perform daily activities but also has participant-directed services that allow kupuna to exercise decision-making authority over how to use their allotment of public funds. Funding the Kupuna Care Program is crucial to allowing Hawaii's seniors to remain in the community and will enable the Executive Office on Aging to target and triage additional clients according to each individual's vulnerability by utilizing tools developed statewide for targeting public supports to persons in greatest need.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 528 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Human Services: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 118 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 533

The purpose and intent of this measure is to support long-term supports and services for older adults, individuals with disabilities, and family caregivers by appropriating funds for the aging and disability resource center.

Your Committees received testimony in support of this measure from the Executive Office on Aging; State Council on Developmental Disabilities; Maui County Office on Aging; Elderly Affairs Division of the Department of Community Services, City and County of Honolulu; Healthcare Association of Hawaii; AARP Hawaii; Catholic Charities Hawai'i; Lanakila Pacific; Hawai'i Pacific Health; Child and Family Service; Policy Advisory Board for Elder Affairs; International Longshore and Warehouse Union Local 142 Hawaii; and eight individuals.

Your Committees find that the aging and disability resource center helps individuals and their families identify their long-term services and support needs based on a person-centered process. The center assists people with understanding service options, including the publicly funded services through kupuna care, and works with them to implement a comprehensive support plan. Your Committees further find that proper funding for the aging and disability resource center is essential to ensure the center is an effective single point of entry for individuals seeking information about appropriate long-term care options.

Your Committees also find that the funding appropriated in this measure will allow the aging and disability resource center to build capacity, the county area agencies on aging to operate their aging and disability resource center sites, implement fully functional status statewide in accordance with federal requirements, and integrate participant-directed supports. The aging and disability resource center has linked 7,254 older adults to publicly funded long-term services and supports. Your Committees note that in 2016 there was an eighteen percent increase in calls to the center as compared to the year prior. Your Committees find that funding is needed for the aging and disability resource center to manage an anticipated increase in volume of calls and implementation of important programs that help Hawaii's seniors, individuals with disabilities, and family caregivers.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 533 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Human Services: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 119 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 2

The purpose and intent of this measure is to require all health insurance plans in the State, including health benefits plans under chapter 87A, Hawaii Revised Statutes, and Medicaid managed care programs, to provide coverage for the treatment for homelessness, beginning January 1, 2018.

Your Committees received testimony in support of this measure from The Queen's Health Systems; Hawai'i Association for Industrial-Organizational Psychology; Ho'omana Pono, LLC; and four individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness, Department of the Attorney General, Department of Commerce and Consumer Affairs, Department of Human Services, and Hawaii Medical Service Association.

Your Committees find that there is an integral link between health and housing, especially for individuals who are chronically homeless. Without housing, individuals often struggle to address their health conditions, while people who are unable to address their health challenges often struggle to obtain and retain housing. Furthermore, the costs to the entire continuum of care, including hospitals, long-term care facilities, and home-based services, for treating the State's homeless population continue to increase. Your Committees also find that ensuring the availability of quality health care and preventive services can successfully mitigate increased future demand for high cost medical services.

However, your Committees have heard the concerns that the health care system of providers, health plans, and hospitals, whose primary mission is the delivery of health care services, are not currently organized or structured in a way to appropriately address some of the relevant factors of homelessness, such as housing, employment, and economic status. Your Committees understand these concerns and conclude a different approach to the treatment for homelessness is necessary.

After discussions, your Committees have concluded that the Auditor should be directed to perform an impact assessment study on the use of Medicaid funds to provide coverage for the treatment for homelessness, including the costs to provide coverage for chronically homeless individuals. Your Committees note that a study by the Auditor is the necessary next step in a potentially transformative approach for the treatment for homelessness in Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Deleting language that would have required all health insurers in the State, including private insurers, health benefits plans under section 87A, Hawaii Revised Statutes, and Medicaid managed care programs, to provide coverage for the treatment of homelessness, beginning January 1, 2018;
- (2) Requiring the Auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment of homelessness, including the costs to provide coverage for the chronically homeless population in the State;
- (3) Requiring the Auditor to submit findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018; 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, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Nishihara, Ruderman).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 120 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 534

The purpose and intent of this measure is to accommodate Hawaii's rapidly growing elderly population and their caregivers by:

- (1) Requiring the Executive Office on Aging to establish the Kupuna Caregivers Program to assist community members in obtaining care for elders while remaining in the workforce;
- (2) Clarifying the kupuna services and supports provided by Area Agencies on Aging within the Kupuna Care Program and making establishment of the Kupuna Care Program mandatory; and
- (3) Appropriating funds for the establishment and implementation of the Kupuna Caregivers Program.

Your Committees received testimony in support of this measure from the Executive Office on Aging; Office of Hawaiian Affairs; Hawaii State Commission on the Status of Women; Hawaii Public Health Association; Healthcare Association of Hawaii; Hawaii Family Caregiver Coalition; Native Hawaiian Health Task Force; Maui County Office on Aging; Alzheimer's Association, Aloha Chapter; American Association of University Women, Hawaii; Caring Across Generations; American Congress of Obstetricians and Gynecologists, Hawaii Section; Mental Health America of Hawai'i; AARP Hawaii; Paraprofessional Healthcare Institute; Faith Action for Community Equity; Hagadone Printing; Hawai'i Pacific Health; International Longshore and Warehouse Union Local 142 Hawaii; and forty-one individuals.

Your Committees find that Hawaii's aging population continues to grow, and along with it the need for long-term services and supports becomes more critical. The State's population of individuals age sixty-five and older is projected to rise to 19.4 percent of the population by 2020 and twenty-three percent of the population by 2030.

Your Committees further find that family caregivers play a vital role in the State's healthcare system by providing long-term care to kupuna. Hawaii's family caregivers are invaluable, yet caregiving places burdens on families financially, emotionally, and physically; over time, these burdens can lead to chronic stress. It is common for children to return home to care for their aging parents and caregivers to abandon careers in the process and make other sacrifices because often the only alternative is expensive institutional care. Your Committees note the large amount of supportive testimony for this measure, and the overwhelming consensus from the community that family caregivers need support and respite in order to continue the critical role they play in helping others and the State by caring for Hawaii's seniors.

Your Committees have amended this measure by:

- (1) Adding language to the definition of "care recipient" indicating that a "care recipient" under the Kupuna Caregivers Program does not include individuals covered by any comparable government or private home and community based care services;
- (2) Inserting language clarifying that traditional service delivery of kupuna care services and supports shall be through a service provider organization or person who provides services to clients under a formal contractual arrangement with the Executive Office on Aging or Area Agency on Aging;
- (3) Removing references to Kupuna Care Program's person-centered planning being the Executive Office on Aging's process and inserting language requiring that a participant's assessed needs that have been identified through the person-centered process be documented in the support plan;

- (4) Inserting language establishing that to qualify for the Kupuna Care Program an individual shall not be covered by any comparable government or private home and community based care services;
- (5) Inserting language clarifying that to qualify for the Kupuna Care Program an individual shall not reside in any assisted living facility, including all care programs of assisted living;
- (6) Inserting language to provide details about the assessment process for kupuna care services, including that upon completion of the in-home assessment, the individual shall develop a written, individualized person-centered support plan that identifies all of the services and supports needed or currently used to meet the individual's needs, and that the plan shall be reviewed with the individual;
- (7) Inserting a provision requiring Area Agencies on Aging to directly authorize and allot kupuna care services and prohibiting the agencies from delegating the service authorization function to any subcontractors;
- (8) Inserting language to establish that individuals shall be ineligible for kupuna care services when they do not meet specified eligibility requirements, their need is not substantiated through an in-home assessment, they leave the State or their whereabouts are unknown, or they refuse services;
- (9) Inserting provisions requiring Area Agencies on Aging to provide written notice of the disposition of requests for kupuna care services and allowing individuals who have been determined to be ineligible for kupuna care services the opportunity to appeal the disposition to the Director of the Executive Office on Aging within ninety days;
- (10) Clarifying and amending various definitions used for services provided through the Kupuna Caregivers Program, Kupuna Care Program, or both, including but not limited to the following amendments:
 - (A) Inserting language to clarify that the definition of "adult day care" or "adult day health" under the Kupuna Care Program means personal care for dependent elders and typically includes social and recreational activities, training, counseling, and services such as rehabilitation, medication assistance, and home health aide services for adult day health;
 - (B) Replacing the kupuna care core service of nutrition and meal delivery with home delivered meals and defining "home delivered meals" as a meal provided to a qualified individual in the individual's place of residence; provided that the meal is served in a program administered by the state unit on aging or an Area Agency on Aging and meets all of the requirements of the Older Americans Act of 1965 as amended, and all state and local laws;
 - (C) Removing language that included hands-on-the-body support in the definition of the kupuna care core service of "personal care"; and
 - (D) Deleting the definition of "qualified individual" from the kupuna care program section of the Hawaii Revised Statutes; 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 Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 534, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 534, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Human Services: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 121 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 530

The purpose and intent of this measure is to support the Long-Term Care Ombudsman Program by appropriating funds to the Office of the Long-Term Care Ombudsman to support the services on Oahu and provide funds for contracted services through the Office of the Long-Term Care Ombudsman in the counties of Hawaii, Kauai, and Maui.

Your Committees received testimony in support of this measure from the State Long Term Care Ombudsman, Maui County Office on Aging, AARP Hawaii, Kokua Council, International Longshore and Warehouse Union Local 142 Hawaii, and eight individuals. Your Committees received comments on this measure from the Executive Office on Aging.

Your Committees find that the Office of the Long-Term Care Ombudsman Program is a federally and state mandated program that lacks sufficient resources to fulfill its responsibilities and adequately protect the 12,340 long-term care residents in Hawaii. Your Committees find that Hawaii is the only state in the country with a Long-Term Care Ombudsman Program staff of one, and that according to a 1995 recommendation by the Institute of Medicine, Hawaii should have a minimum of six full-time long-term care ombudsmen.

Your Committees note that the responsibilities and logistics of the Long-Term Care Ombudsman Program have become even more challenging since 1995 because today's residents live in many different types of facilities, whereas historically most residents lived in nursing homes. While the program certifies and utilizes volunteers, recruiting and retaining volunteers take considerable resources, and volunteers cannot substitute for a full-time, highly trained staff position. Your Committees recognize that Hawaii's seniors have been negatively impacted by the insufficient staffing of the Long-Term Care Ombudsman Program. Your Committees find that this program is essential to ensuring that the State's long-term care facilities are safe for Hawaii's kupuna and that older adults across the State have access to the services they need.

Your Committees have amended this measure by:

- (1) Inserting language to establish one permanent, full-time program specialist IV position on Oahu within the Executive Office on Aging's Long-Term Care Ombudsman Program and clarifying that the appropriation of \$75,000 for the Office of the Long-Term Care Ombudsman to be distributed to the City and County of Honolulu is to fund that position; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 530, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 530, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Human Services: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 122 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 955

The purpose and intent of this measure is to:

- (1) Subject the Office of Homeland Security to the direction and control of the Governor;
- (2) Add the Hawaii State Fusion Center as a program under the Office of Homeland Security; and
- (3) Establish the position of Hawaii State Fusion Center Director, who shall be responsible to the Director of Homeland Security and shall manage the day-to-day operations of the fusion center.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Transportation, Office of Homeland Security, Hawaii Emergency Management Agency, Honolulu Police Department, and one individual.

Your Committee finds that the Hawaii Fusion Center, which is one of many fusion centers that have been established across the nation, has been a vital resource for the State, serving as a center for federal, state, and county agencies to coordinate their efforts in receiving and sharing important security information. As security threats increase, it is essential that the State maintains the ability to coordinate the efficient and effective sharing of security information across all levels of government. Accordingly, this measure establishes the Hawaii State Fusion Center within the Department of Defense Office of Homeland Security and establishes the position of Hawaii State Fusion Center Director to be appointed by the Director of Homeland Security.

Your Committee has amended this measure by:

- (1) Clarifying that the Governor has direct control and oversight over the Director of Homeland Security by removing the amendments made to section 128A-3, Hawaii Revised Statutes;
- (2) Clarifying that the Hawaii State Fusion Center Director shall be paid through state funds; 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. 955, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 955, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 123 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 717

The purpose and intent of this measure is to establish a temporary program to clean up debris and litter left behind on state real property by persons who have illegally camped or lodged on state real property and to establish a temporary sheriff patrol program to enforce laws against illegally camping, trespassing, or being present on state real property.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual. Your Committee received comments on this measure from the Department of the Attorney General, Department of Public Safety, Department of Accounting and General Services, and Governor's Coordinator on Homelessness.

Your Committee finds that illegal camping, trespassing, or being present on state real property and the debris and litter left behind by the occupants of illegal encampments on state real property are significant problems that negatively impact the health, safety, and welfare of the State's citizens. The State currently lacks an efficient means of addressing illegal camping, trespassing, or being present on state real property and their associated problems. Therefore, this measure establishes a temporary program for cleaning the litter and debris left behind by illegal campers, establishes a temporary sheriff patrol program to enforce laws against illegal camping on state real property, and appropriates funds for the programs.

However, your Committee understands the concerns raised by the Attorney General that mandating the deputy sheriffs to cite or arrest an illegal camper on state real property may violate constitutional requirements or other legal protections. Accordingly, your Committee has amended this measure by:

- (1) Replacing the provision mandating that the deputy sheriffs "shall cite or arrest the violator" with language mandating that the deputy sheriffs "shall take appropriate steps necessary in accordance with the law"; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 717, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 124 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 634

The purpose and intent of this measure is to expedite the review, update, and adoption of the Uniform Plumbing Code as it relates to the Hawaii State Building Codes.

Your Committee received testimony in support of this measure from the State Fire Council, Kaua'i Fire Department, and Hawaii Fresh Water Initiative. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii.

Your Committee finds that the conservation and reuse of water are vital components in the continued maintenance of an adequate fresh water supply for the State. One important part of conserving and reusing water is the timely adoption of amendments to the State's Uniform Plumbing Code. Accordingly, this measure aims to expedite the review, update, and adoption of the Uniform Plumbing Code as it relates to the Hawaii State Building Codes. Specifically, this measure requires the State Building Code Council to adopt amendments to the Uniform Plumbing Code within one year after publication of an updated Uniform Plumbing Code by the International Association of Plumbing and Mechanical Officials and requires each county to subsequently adopt the Council's Uniform Plumbing Code amendments within one year. This measure further provides that if a county does not amend the Hawaii state building codes, which include the Uniform Plumbing Code, within the designated time frame, then the Hawaii state building codes shall become the interim county building code.

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. 634, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 634, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 125 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1036

The purpose and intent of this measure is to:

- (1) Clarify that failure to register a firearm within the required time period does not relieve the owner of the duty to register the firearm; and
- (2) Allow the owner of an unregistered firearm to register the firearm thereafter without penalty.

Your Committee received testimony in support of this measure from the Honolulu Police Department and three individuals. Your Committee received testimony in opposition to this measure from the Institute for Rational and Evidence-based Legislation and one individual. Your Committee received comments on this measure from the National Rifle Association Hawaii and two individuals.

Your Committee finds that the goal of ensuring that all firearms in the State are registered by its owner is vital to protecting the public's health, safety, and welfare. Registration is particularly important for nonresident aliens who may bring firearms into the State. The current law lacks sufficient clarity in providing guidance regarding firearms owners' duties to register their firearms even after the deadline to register has passed. In addition, to further ensure that all firearms are properly registered, it is important to provide ample opportunity for owners to accomplish registration and to also eliminate any sense that owners will be punished for coming forward late to register their firearms.

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. 1036, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1036, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 126 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 421

The purpose and intent of this measure is to:

- (1) Establish requirements, guidelines for the use and discontinuance of use, restrictions, and prohibitions for body-worn cameras and vehicle cameras for law enforcement officers;
- (2) Establish retention and deletion requirements for body-worn camera footage;
- (3) Establish violations of recording and retention requirements;

- (4) Appropriate funds as a grant-in-aid to each county for the purchase of body-worn video cameras and law enforcement vehicle cameras; provided that no funds shall be expended unless matched dollar-for-dollar by the county; and
- (5) Require the county police departments to report costs of implementing and maintaining the body-worn camera and vehicle camera program to the Legislature.

Your Committee received testimony in support of this measure from the Office of Information Practices, American Civil Liberties Union of Hawai'i, Hawaii Chapter Society of Professional Journalists, Libertarian Party of Hawaii, and one individual. Your Committee received testimony in opposition to this measure from the Department of Public Safety, Hawai'i Police Department, Maui Police Department, and Civil Beat Law Center for the Public Interest. Your Committee received comments on this measure from the State of Hawaii Organization of Police Officers.

Your Committee finds that body-worn video cameras and vehicle cameras have become important tools in documenting and affecting interactions between law enforcement officers and members of the public. Body-worn video cameras and vehicle cameras can lead to greater transparency and accountability for law enforcement officers, which can help alleviate some of the growing concern among the public about the appropriateness of certain actions, particularly those that are physical or lethal in nature. In addition, body-worn video cameras and vehicle cameras are beneficial to law enforcement officers because the use of cameras can provide supporting evidence when officers are required to employ forceful tactics.

Your Committee has heard the testimony of the State of Hawaii Organization of Police Officers and notes the following concerns raised by that testimony. Section 52D-B(d)(2), Hawaii Revised Statutes, proposed by this measure, allows the "apparent crime victim" to require law enforcement to turn off the body-worn camera. However, this may be problematic given that the "apparent crime victim" may actually be the suspect. In addition, section 52D-G(a)(2) and (3), Hawaii Revised Statutes, of this measure creates a rebuttal presumption for criminal defendants and those seeking damages from the State or county that exculpatory evidence was destroyed or not captured in compliance with section 52D-E, Hawaii Revised Statutes, of this measure or as the result of the officer's intentional interference. The concern is that an officer may never be able to prove that missing footage was the result of an equipment error or battery outage. Your Committee finds that these concerns merit further consideration.

Your Committee has amended this measure by:

- (1) Inserting a blank appropriation to the Department of Public Safety for costs incurred by the Department or other state agencies relating to the purchase of body-worn video cameras and law enforcement vehicle cameras for use by state law enforcement officers; and
- (2) Making 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. 421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 421, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 127 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 520

The purpose and intent of this measure is to amend the composition of the county police commissions to require that three commissioners on each police commission be the Executive Director of the State Commission on the Status of Women, Executive Director of the Hawaii Civil Rights Commission, and an individual with prior experience in law enforcement.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, American Association of University Women Hawaii, Domestic Violence Action Center, Planned Parenthood Votes Northwest and Hawaii, and one individual. Your Committee received testimony in opposition to this measure from the Office of the Mayor of the City and County of Honolulu and one individual.

Your Committee finds that the protection of women's rights and individual civil rights, which are vital to the health, safety, and welfare of the public, is an issue of statewide concern. The county police commissions, who oversee the conduct of the county police departments and officers, have tremendous influence in shaping and directing the policies intended to protect women's rights and individual civil rights. Therefore, it is important that the county police commissions include members who are experienced in law enforcement and have backgrounds in the protection of women's rights and individual civil rights.

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. 520 and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 128 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 424

The purpose and intent of this measure is to:

- (1) Require police departments to disclose to the Legislature the identity of an officer upon the officer's second suspension in a five-year period or discharge; and
- (2) Require disclosure under the Uniform Information Practices Act after a police officer's second suspension in a five-year period.

Your Committee received testimony in support of this measure from the Office of Information Practices, League of Women Voters of Hawaii, Society of Professional Journalists Hawaii Chapter, and Hawaii State Coalition Against Domestic Violence. Your Committee received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers and Civil Beat Law Center for the Public Interest.

Your Committee finds that disclosing the identities of police officers who are suspended twice within a five-year period serves the public interest. Transparency and accountability of police officers are of great importance in maintaining the public's confidence in law enforcement, and a healthy relationship between police and the public is essential for maintaining the health, safety, and welfare of the public.

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. 424 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 129 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 230

The purpose and intent of this measure is to appropriate funds to the Hawaii Emergency Management Agency for the purpose of supporting community resilience and preparedness programs.

Your Committee received testimony in support of this measure from the Hawaii Emergency Management Agency and two individuals.

Your Committee finds that community resilience and preparedness programs are vital components of emergency preparedness and response throughout the State. Accordingly, this measure appropriates \$100,000 to the Hawaii Emergency Management Agency for the purpose of supporting community resilience and preparedness programs including the Hawaii Hazards and Resilience Program and the Community Emergency Response Team Program.

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. 230 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 130 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 604

The purpose and intent of this measure is to extend the lapse date for a \$1,000,000 appropriation made by Act 134, Session Laws of Hawaii 2013, as amended, for the mitigation of hazardous situations statewide from June 30, 2017, to June 30, 2019.

Your Committee received testimony in support of this measure from the Department of Transportation and the Hawaii Emergency Management Agency.

Your Committee finds that mitigating hazardous situations statewide before an emergency situation occurs is vital to maintain the health, safety, and welfare of the public. In 2014, the Legislature appropriated funds for the mitigating hazardous situations program to mitigate hazards in the State before those hazards could create serious damage. The program has proven effective at minimizing damage resulting from hazardous situations. Accordingly, this measure would extend the lapse date of the appropriations made for mitigating hazardous situations by two years from June 30, 2017, to June 30, 2019.

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. 604 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 131 Water and Land on S.B. No. 1150

The purpose and intent of this measure is to prohibit the use of sunscreens and cosmetics containing oxybenzone at beaches in Hawaii or in the ocean.

Your Committee received testimony in support of this measure from the Department of Health, Office of Hawaiian Affairs, Democratic Party of Hawai'i, Conservation Council of Hawai'i, Nature Conservancy Hawai'i, For the Fishes, Malama O Puna, Animal Rights Hawai'i, Hawaii Fishing and Boating Association, Eco Tipping Points Project, Haereticus Environmental Laboratory, Sarah's Sweet Scrubs, and seven individuals. Your Committee received testimony in opposition to this measure from the Personal Care Products Council and Consumer Healthcare Products Association. Your Committee received comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committee heard varied testimony on this measure. Hawaii would be the first state to enact a ban on oxybenzone-based products, and the science regarding the possibly damaging effects of oxybenzone on coral reefs is a work in progress. Furthermore, there are concerns that enforcement of the ban would prove challenging, and the use of sunscreen overall should be encouraged for personal health and well-being. However, Hawaii's marine environment and natural resources serve as a cultural, socioeconomic, and scientific foundation of our islands, and should be protected and preserved. Your Committee finds that this measure deserves further attention and study as it advances through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an exception for prescription sunscreen, sunblock, and cosmetics; and
- (2) Making 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. 1150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1150, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 132 Water and Land on S.B. No. 1079

The purpose and intent of this measure is to appropriate funds for permitting, design, and construction of two comfort stations at Makena State Park.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that Makena State Park is the fifth most visited park in the state parks system, with over 600,000 anticipated visitors in 2017. There are currently no permanent sanitation facilities at the park, and your Committee finds that a sanitary waste management solution is imperative for the protection of public health. The Department of Land and Natural Resources has initiated a project to construct two permanent comfort stations to address this issue, at a total cost of approximately \$5,000,000.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1079, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 133 Water and Land on S.B. No. 289

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for construction of a new ferry pier at the Lahaina small boat harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Ocean Tourism Coalition.

Your Committee finds that the Lahaina small boat harbor is the busiest small boat harbor in Hawaii, and a new ferry pier is necessary to efficiently and safely support the high volume of use and to alleviate existing congestion at the public loading dock. Furthermore, the project is shovel-ready and eligible for \$12,500,000 in matching federal funds.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 289, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 134 Water and Land on S.B. No. 1136

The purpose and intent of this measure is to appropriate funds for the Land Use Commission to establish a staff position to monitor and ensure compliance with conditions regarding land use within the four major land use districts.

Your Committee received testimony in support of this measure from the Land Use Commission, Conservation Council of Hawai'i, and one individual.

The Land Use Commission (LUC) has approved eight hundred petitions for redistricting since 1963, often with conditions attached to protect the public welfare and Native Hawaiian rights and assets. The LUC currently lacks adequate staff to monitor compliance with the conditions attached to their decisions, and those conditions are only enforceable by the LUC prior to substantial commencement of construction of a project. Your Committee finds that a Planner IV position at the LUC is necessary to monitor compliance and timely respond to issues of noncompliance with land use decisions.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1136, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1136, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 135 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 517

The purpose and intent of this measure is to require state and county agencies to provide domestic abuse intervention training to their personnel whose job duties require or may require intervention in domestic abuse situations.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney, County of Kauai; Office of the Prosecuting Attorney, County of Hawaii; Hawaii State Commission on the Status of Women; American Association of University Women Hawaii; Domestic Violence Action Center; Hawaii Women's Coalition; Young Progressives Demanding Action; Hawaii State Coalition Against Domestic Violence, and two individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu. Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that domestic abuse poses a grave threat to the health, safety, and welfare of the public. As our understanding of domestic abuse and the ways in which domestic abuse situations should be handled continues to evolve, it is essential that personnel encountering domestic abuse have the proper training necessary to successfully handle those situations. Accordingly, this measure requires any state or county agency that employs personnel whose job duties require or may require intervention in a domestic abuse situation to provide those personnel with targeted training for domestic abuse intervention.

Your Committee has amended this measure by replacing the fifteen-hour minimum domestic abuse intervention training requirement with an unspecified minimum number of training hours.

Your Committee respectfully requests that your Committees on Judiciary and Labor and Ways and Means determine the appropriate minimum training hour requirement for state or county employees whose job duties require or may require them to intervene in a domestic abuse situation.

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. 517, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 517, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 136 Government Operations on S.B. No. 1277

The purpose and intent of this measure is to allow minutes at public agency meetings to be kept by written or recorded means.

Your Committee received testimony in support of this measure from the Honolulu Liquor Commission. Your Committee received testimony in opposition to this measure from the League of Women Voters of Hawaii. Your Committee received comments on this measure from the Civil Beat Law Center for Public Interest and Life of the Land.

Your Committee finds that current law requires boards and commissions to keep written minutes of all meetings. Allowing boards and commissions the flexibility to make their minutes available through analog or digital means may reduce some expense for boards and commissions to comply with the law for public agency meetings. In addition, your Committee finds that allowing minutes to be kept by analog or digital means will enhance the public's ability to access board minutes, and notes that the minutes must still be available within the current thirty-day requirement.

Your Committee has amended this measure by:

- (1) Inserting a provision that if minutes are kept by analog or digital means, a written summary of the recording shall accompany the recording; 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1277, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ruderman, Tokuda).

SCRep. 137 Hawaiian Affairs on S.B. No. 467

The purpose and intent of this measure is to enact the Office of Hawaiian Affairs Appropriations Act of 2017.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Hawaiian Affairs Caucus of the Democratic Party of Hawai'i; Ko'olau Foundation; Ko'olaupoko Hawaiian Civic Club; Na Lei Na'auao; and numerous individuals.

Your Committee finds that upon statehood in 1959, section 5(f) of the Admission Act directed the State to hold lands in trust for five purposes, one of which was the betterment of the conditions of Native Hawaiians. In 1978 a Constitution Convention reviewed and revised the responsibilities of Hawai'i's government. Among the provisions incorporated into the new state constitution was the establishment of the Office of Hawaiian Affairs (OHA), as a public trust with mandates to better the conditions of Native Hawaiians and the Native Hawaiian community in general. In 1979, the Legislature enacted Chapter 10, Hawai'i Revised Statutes, which created OHA as a semi-autonomous self-governing body.

OHA's mission is to malama (protect) Hawai'i's people, environmental resources, and assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle, and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally. OHA is the principal public agency in the State responsible for the betterment of conditions of Native Hawaiians; the performance, development, and coordination of programs

and activities relating to Native Hawaiians; assessing the policies and practices of other agencies impacting Native Hawaiians; conducting advocacy efforts for Native Hawaiians; and serving as a receptacle for reparations.

Your Committee further finds that OHA's services include the vital beneficiary programs of education, economic development, health, and legal services. Your Committee further finds that any loss of government funding to beneficiary programs and the organizations that serve them will cause an increased demand for supplemental funding for OHA to ensure that the health, education and other daily needs of beneficiaries are met. Experience indicates that reduced state appropriations have created a reduction in beneficiary assistance, from non-OHA programs, including but not limited to reductions in: emergency financial assistance programs; case management services which assist beneficiaries to access community resources; clinicians providing mental health and substance abuse counseling and support; and health monitoring/navigation programs that assist those with chronic disease to get needed medical care.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 467 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 138 Commerce, Consumer Protection, and Health on S.B. No. 950

The purpose and intent of this measure is to make various updates to the mortgage servicers law, chapter 454M, Hawaii Revised Statutes, including:

- (1) Requiring the Commissioner of Financial Institutions to approve a change in control of a licensee;
- (2) Identifying when an individual is presumed to control a mortgage servicer;
- (3) Clarifying which persons associated with a mortgage servicer are subject to interviews and examination and various disclosure requirements; and
- (4) Adding a definition for "executive officer".

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 mortgage servicers in Hawaii service billions of dollars of mortgage payments each year. Mortgage servicers often have relationships with borrowers that can last thirty years or more and can have a direct impact on what is often a consumer's largest asset. This measure requires the Commissioner of Financial Institutions to approve a change in control of a licensee; enables the Commissioner to make certain determinations regarding the fitness of the person who will obtain control and the impact of the change in control on the public interest; and enhances consumer protection by specifying when an individual is presumed to control a mortgage service, which will help prevent a takeover of a licensed mortgage service by unqualified persons. Your Committee further finds that this measure makes the State's mortgage servicer law more effective and efficient, improves compliance within the mortgage servicer industry, and enhances the Division of Financial Institution's regulatory oversight and enforcement abilities.

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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 139 Commerce, Consumer Protection, and Health on S.B. No. 325

The purpose and intent of this measure is to allocate ten percent of tax revenues collected from medical marijuana dispensaries to the mental health and substance abuse special fund.

Your Committee received testimony in support of this measure from the Hawaii Substance Abuse Coalition, Drug Policy Forum of Hawai'i, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Taxation, Department of Health, Tax Foundation of Hawaii, Department of the Prosecuting Attorney of the City and County of Honolulu, and Hawaii Children's Action Network.

Your Committee finds that the mental health and substance abuse special fund was established by the Legislature in 1991 to deposit revenue collected from treatment programs rendered by mental health and substance abuse programs and to expend the revenues for operating expenses of the treatment programs. Your Committee further finds that mental health and substance abuse programs are underfunded, and that additional resources are needed to continue serving Hawaii's residents who cannot afford necessary mental health and substance abuse services. Your Committee notes the Department of Health's testimony that monies in the mental health and substance abuse special fund are used to serve adults and youth with severe mental illness.

Your Committee has amended this measure by:

- (1) Inserting language to clarify that the ten percent allocation of medical marijuana dispensaries tax revenues applies to the annual general excise tax revenues and the gross income generated by each entity that holds a medical marijuana dispensary license; and
- (2) Inserting language to specify that monies deposited into the mental health and substance abuse special fund from tax revenues collected from medical marijuana dispensaries may be used for the payment of the operating expenses of mental health and substance abuse programs operated by the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 325, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Kidani).

SCRep. 140 Commerce, Consumer Protection, and Health on S.B. No. 979

The purpose and intent of this measure is to remove the requirement of a conspiracy of two or more persons as an element of prohibited discriminatory practices in places of public accommodation.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission.

Your Committee finds that under existing law, it is not a violation for a place of public accommodation, or a person acting alone, to: engage in retaliation for opposition to discrimination; aid, abet, incite, or coerce discriminatory practices; or willfully obstruct or prevent compliance with the public accommodations law, in the absence of a conspiracy of two or more persons. This measure removes that conspiracy requirement, which will ensure that the public is protected against retaliation for opposing discriminatory in places of public accommodation and that anyone who aids, abets, incites, or coerces discriminatory practices or obstructs or prevents compliance with the public accommodations law can be held responsible.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 979 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 141 (Joint) Agriculture and Environment and Higher Education on S.B. No. 355

The purpose and intent of this measure is to make an appropriation for the sustainable and organic agriculture program administered by the University of Hawaii College of Tropical Agriculture and Human Resources.

Your Committees received testimony in support of this measure from the Department of Agriculture; University of Hawai'i System; Hawaii Farmers Union United; Hawai'i Farm Bureau; Hawaii Aquaculture and Aquaponics Association; EcoTipping Points Project; Aina Ho'okupu o Kilauea; Farm Lovers Farmers Markets; Kahuku Farms, Inc.; Kakalina Farms LLC; and thirty-three individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that across the State farmers are experimenting with different ways of producing agricultural products that are sustainable and beneficial to the social, economic, and environmental well-being of farm families and rural communities. Your Committees further find that the sustainable and organic agriculture program at the University of Hawaii College of Tropical Agriculture and Human Resources is committed to increasing awareness and adoption of sustainable and organic practices across the State while addressing the challenges of creating more profitable farm incomes, environmental stewardship, and stable and prosperous farm communities. Your Committees find that supporting the growth of the sustainable and organic agriculture program will strengthen the organic industry in Hawaii and reduce the volume of imported organic products and invasive species that may be found on imported organic produce.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 355 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).
Higher Education: Ayes, 5. Noes, none. Excused, none.

SCRep. 142 (Joint) Agriculture and Environment and Higher Education on S.B. No. 228

The purpose and intent of this measure is to make an appropriation for the research, development, and marketing of 'ulu, or breadfruit.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawai'i System, Hawaii Ulu Producers Cooperative, Breadfruit Institute at the National Tropical Botanical Garden, Hawai'i Farm Bureau, Hawaii Farmers Union United, Aina Ho'okupu o Kilauea, Farm Lovers Farmers Markets, The Kilauea Bakery & Pau Hana Pizza, and twenty-eight individuals.

Your Committees find that breadfruit, or 'ulu, is a traditional Hawaiian crop with unrecognized potential as an agricultural commodity. It is rich in nutritional content, can be easily grown in Hawaii, and can be used to create gluten-free products. Your Committees find that supporting development of an 'ulu industry will help revive the harvesting of 'ulu and create a valuable commercial crop that will increase food security and self-sufficiency in Hawaii.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 228 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Higher Education: Ayes, 5. Noes, none. Excused, none.

SCRep. 143 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 512

The purpose and intent of this measure is to require all child care providers subject to regulation by the Department of Human Services to:

- (1) Obtain and maintain liability insurance as a condition of licensure, temporary permission, or registration; and
- (2) Appropriately disclose information related to their liability insurance coverage to parents or guardians applying for child care or whose child is being cared for by the providers.

Your Committees received testimony in support of this measure from the Hawaii Children's Action Network and two individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that because many parents must work full time, child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Requiring all licensed or registered child care providers to obtain and maintain liability insurance coverage may help bring assurance to families who require child care services and allow opportunities for legal recourse for parents whose children are not properly cared for.

Your Committees have amended this measure by:

- (1) Inserting a blank minimum amount, rather than amount to be determined by the Department of Human Services, for the amount of liability insurance coverage required by child care providers to obtain and maintain as a condition of licensure, temporary permission, or registration to operate a child care facility; and
- (2) Inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 512, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 512, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 144 (Joint) Human Services and Housing on S.B. No. 588

The purpose and intent of this measure is to:

- (1) Define "emergency shelter" to mean a homeless facility designed to provide temporary shelter and services for up to six months;
- (2) Allow homeless shelter stipends to be adjusted at the end of each year based upon achievement of performance measures;
- (3) Require homeless shelters to have no fewer than one shower, one sink, and one toilet per twenty-five residents and the minimum area of each partitioned space to be determined by the number of residents and capacity of the shelter;
- (4) Establish that the storage space at a homeless shelter shall be determined by each shelter's space availability;
- (5) Remove the Department of Human Services' authority to require shelters to comply with additional requirements;
- (6) Establish and fund two permanent full-time equivalent (2.0 FTE) positions to assist in the implementation of the homeless shelter program; and
- (7) Appropriate funds for homeless shelters and other non-recurring costs.

Your Committees received testimony in support of this measure from Waikiki Health; Hawaii Habitat for Humanity Association, Inc.; Ho'omana Pono, LLC.; Faith Action for Community Equity, Maui; and four individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that homelessness continues to be one of the State's most significant and challenging social problems. In an attempt to make the homeless shelter system more cost effective and more appealing to families and individuals, the Legislature enacted Act 234, Session Laws of Hawaii 2016, to establish minimum requirements for every homeless emergency shelter operated by a provider agency that is under contract with the Department of Human Services. However, there is wide variation in the configuration of homeless emergency shelters across the State. Because homeless emergency shelters need sufficient flexibility to address the diverse needs of homeless individuals and families across the State, it is critical that the Department of Human Services allows enough time for homeless emergency shelters to bring shelter space into compliance with the Department's requirements.

Your Committees have amended this measure by:

- (1) Clarifying language in section 1 of Act 234, Session Laws of Hawaii 2016, related to requiring homeless shelter stipend payments to be made with a goal of achieving performance measures;
- (2) Deleting from the definition of “emergency shelter” the six-month limitation on the provision of temporary shelter and appropriate and available services;
- (3) Specifying that emergency shelters are authorized, rather than mandated, to have partitioned space for each homeless family or individual that provides separation from other homeless families or individuals in the shelter;
- (4) Deleting language that would have established and appropriated funds for two permanent full-time equivalent (2.0 FTE) program specialist IV positions to assist in the operation of the homeless shelter program;
- (5) Deleting language that would have appropriated funds for the establishment or improvement of emergency and transitional shelters for the homeless and funding other projects or programs to assist homeless families and individuals; 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 Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 588, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 588, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Nishihara).

SCRep. 145 Judiciary and Labor on S.B. No. 245

The purpose and intent of this measure is to:

- (1) Require government agencies to exercise reasonable care in the maintenance of all government records under their control that are required to be made available for public inspection;
- (2) Create a rebuttable presumption that a unit of government in the State or its political subdivision exercised reasonable care in its maintenance of its government records by adhering to a duly adopted records retention and destruction policy; and
- (3) Establish damages for breaching a duty of exercising reasonable care in the maintenance of government records.

Your Committee received testimony in support of this measure from the Office of Information Practices, Hawaii Association for Justice, ‘Āina Haina Community Association, and one individual. Your Committee received testimony in opposition to this measure from the Office of the Mayor, County of Maui; Department of the Corporation Counsel, City and County of Honolulu; and Department of the Corporation Counsel, County of Maui. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that in *Molfino v. Yuen*, 134 Hawaii 181 (2014), the Supreme Court upheld a circuit court ruling that, absent a statutory requirement, a government agency does not have a duty of reasonable care with respect to maintaining government records for the purpose of public inspection. This measure responds to the holding of *Molfino* by establishing a statutory requirement that government agencies exercise reasonable care in the maintenance of all government records under their control that are available for public inspection.

Your Committee notes the concerns expressed in testimony regarding the adequacy of the \$2,000 cap that the court may award for damages for breaching the duty of reasonable care and believes this issue merits further discussion. Your Committee also notes that this measure would benefit from discussion as to the most appropriate chapter placement of the requirement within the Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 245, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 245, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 146 Judiciary and Labor on S.B. No. 327

The purpose and intent of this measure is to:

- (1) Require the electronic transmission of databases containing driver’s license and civil identification card information to election officials and the statewide voter registration system;
- (2) Require the Office of Elections to join the Electronic Registration Information Center and share information with the counties pursuant to the terms of the membership agreement;
- (3) Require the Office of Elections and the county offices that administer elections to verify their respective voter registration rolls; and

- (4) Appropriate funds to the Office of Elections to join the Electronic Registration Information Center.

Your Committee received testimony in support of this measure from the Office of Elections, Common Cause Hawaii, and League of Women Voters of Hawaii. Your Committee received comments on this measure from the Department of Transportation and Office of the County Clerk, County of Kauai.

Your Committee finds that the Electronic Registration Information Center is a nonprofit organization that helps states improve the accuracy of voter registration rolls by using secure data-matching tools. States who are members of the Electronic Registration Information Center have reported an increase in voter registration through improved access to the registration process, reduction in provisional ballots, shorter lines at polling places due to clarity in registration status and accuracy of registration data, and improvements in record keeping for election administration offices. By requiring the Office of Elections to join the Electronic Registration Information Center, this measure will help the State to realize the same benefits reported by states that are already members.

Your Committee notes the concerns raised by the Office of the County Clerk of the County of Kauai regarding providing the Electronic Registration Information Center with personally identifiable information of nearly a million Hawaii residents and whether the sharing of this information may pose liability issues for the State. Your Committee further notes that the initial membership fee to join the Electronic Registration Information Center is \$25,000.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 327, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 147 Judiciary and Labor on S.B. No. 422

The purpose and intent of this measure is to:

- (1) Delete language awarding grandparents reasonable visitation rights from section 571-46, Hawaii Revised Statutes, relating to the criteria and procedure in awarding custody and visitation; and
- (2) Add language to section 571-46.3, Hawaii Revised Statutes, regarding grandparents' visitation rights, that:
 - (A) Requires the courts to make a finding that awarding grandparent visitation is in the best interest of the child and denial of grandparent visitation would cause actual or potential harm to the child;
 - (B) Establishes a rebuttable presumption that a parent's decision regarding visitation is in the best interest of the child, which may be rebutted by a preponderance of the evidence that denial of reasonable grandparent visitation rights would cause actual or potential harm to the child;
 - (C) Clarifies the court shall be guided by all standards, considerations, and procedures for parent visitation under section 571-46, Hawaii Revised Statutes; and
 - (D) Clarifies if a grandparent or grandparents of a child violate the terms and conditions of an order awarding reasonable visitation rights, the grandparent or grandparents shall be subject to sanctions or contempt of court.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Family Law Section of the Hawaii State Bar Association. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that grandparents are taking on increasing responsibilities in helping to raise their grandchildren, especially when the children's own parents are unable or unwilling to do so as a result of a lack of financial self-sufficiency, abandonment, mental disorder, minor status, substance abuse, or incarceration. Grandparents may help foster a child's healthy emotional and psychological development, further a child's education, and positively influence a child's well-being. This measure recognizes the benefits and importance of having grandparents be a part of a child's life by allowing the family court to award reasonable visitation rights to a grandparent if reasonable visitation is in the best interest of the child and denial of visitation could cause actual or potential harm to the child.

Your Committee notes the comments submitted in written testimony by the Department of the Attorney General that the court in *Doe v. Doe*, 116 Hawaii 323 (2007) held that the standard to be used in awarding grandparent visitation is a showing that a denial of grandparent visitation would cause significant, rather than actual or potential, harm to the child.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 2, thereby reinstating language awarding grandparents reasonable visitation rights under section 571-46, Hawaii Revised Statutes, relating to the criteria and procedure in awarding custody and visitation;
- (2) Adopting the language suggested by the Department of the Attorney General that clarifies that the denial of grandparent visitation would cause significant, rather than actual or potential, harm to the child;
- (3) Inserting an effective date of January 7, 2059, 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. 422, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 422, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 148 Judiciary and Labor on S.B. No. 714

The purpose and intent of this measure is to establish a supervisory and professional job shadowing pilot project under the Department of Human Resources Development.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, American Federation of State, County, and Municipal Employees Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of Human Services and Department of Human Resources Development.

Your Committee finds that there is a rising number of eligible retirees within the various departments of state government, which creates a pressing need to prepare the next generation of workers to occupy positions vacated by retirees, especially at the supervisory level. Your Committee finds that a supervisory and professional job shadowing pilot project for leadership and supervisory training will help to stabilize the workforce and ensure the transfer of essential skills and institutional knowledge.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 714, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 714, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 149 Judiciary and Labor on S.B. No. 791

The purpose and intent of this measure is to:

- (1) Establish the offense of criminal property damage by graffiti as a misdemeanor; and
- (2) Include the offense of criminal property damage by graffiti as an offense in which the graffiti sentencing law applies.

Your Committee received testimony in support of this measure from two individuals.

Your Committee finds that graffiti is occurring more frequently in Hawaii. Recent incidents include graffiti on garage doors, homes, and other edifices in Ewa Beach as well as graffiti at Moanalua High School that resulted in twelve students being banned from participating in their graduation ceremony. This measure helps to deter incidents of graffiti by establishing a separate offense for property damage caused by graffiti.

Your Committee has amended this measure by:

- (1) Changing the penalty imposed for the offense of criminal property damage by graffiti to a petty misdemeanor, rather than misdemeanor, and the term of imprisonment to an unspecified period of days, rather than months, to be consistent with the penalty imposed for the substantially similar offense of criminal property damage in the fourth degree;
- (2) Inserting an effective date of January 7, 2059, 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. 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 150 Judiciary and Labor on S.B. No. 797

The purpose and intent of this measure is to establish the offense of criminal property damage to a public restroom as a misdemeanor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that vandalism to restroom facilities in public parks is occurring more frequently. There have been numerous incidents of vandalism to these public restrooms, which result in a financial cost to repair or replace these restroom facilities and prevent the public from using and enjoying the parks. This measure helps to deter incidents of vandalism by establishing a separate criminal offense for damaging a public restroom located at a public park or recreational ground.

Your Committee has amended this measure by:

- (1) Deleting language that refers to setting fire to a trash receptacle from the offense of criminal property damage to a public restroom; and
- (2) Inserting an effective date of January 7, 2059, 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. 797, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 797, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 151 Judiciary and Labor on S.B. No. 857

The purpose and intent of this measure is to limit employers' denial of workers' compensation claims pending investigation. Specifically, this measure:

- (1) Requires employers to pay for all medical services required by an employee with a compensable injury;
- (2) Prohibits employers from denying a claim without reasonable cause or during a pending investigation;
- (3) Establishes notification procedures regarding billing disagreements;
- (4) Imposes penalties for employers who fail to adhere to notification requirements; and
- (5) Establishes resolution procedures for employers and providers who have reasonable disagreements over liability for services provided to an injured worker.

Your Committee received testimony in support of this measure from the Hawaii Chapter-American Physical Therapy Association; Kauai Community Health Alliance, Hale Lea Medicine; Work Injury Medical Association of Hawaii; ILWU Local 142; and three individuals. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Department of Human Resources, Hawaii Insurers Council, National Association of Mutual Insurance Companies, Property Casualty Insurers Association of America, Chamber of Commerce Hawaii, Society for Human Resource Management-Hawaii, and Solera Integrated Medical Solutions. Your Committee received comments on this measure from the Department of Human Resources Development and Department of Labor and Industrial Relations.

Your Committee finds that Hawaii's workers' compensation system is plagued by employers' delays and denials of claims, which exacerbate the recovery of injured workers. Your Committee finds that employers must be held accountable for processing claims for medical services in a timely manner to assure that injured workers may recover and return to work within a reasonable time.

Your Committee has amended this measure by:

- (1) Creating a presumption of compensability for a claim submitted by an employee who is excluded from coverage under the Hawaii Prepaid Health Care Act;
- (2) Clarifying that a provider of services may issue a notification of services rendered or bill to an employer;
- (3) Requiring the employee to reimburse the source from which compensation was received for services rendered whenever a claim is found to be non-compensable;
- (4) Inserting an effective date of January 7, 2059, 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. 857, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 857, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 152 Judiciary and Labor on S.B. No. 981

The purpose and intent of this measure is to:

- (1) Allow the Hawaii Labor Relations Board to provide written notice of a hearing under the Hawaii occupational safety and health law by first class mail or electronic service through a company designated by the Board at least fifteen days before the hearing; and
- (2) Require the party seeking review of a decision and order of the Hawaii Labor Relations Board to bear the cost of preparing a transcript, except as provided by law, in which case the Board shall bear the cost.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board and University of Hawaii Professional Assembly.

Your Committee finds that under existing law, the Hawaii Labor Relations Board may give notices of hearings to a party by first class mail. However, the electronic service of notices is a faster and less expensive method of delivery. Implementation of this measure will reduce costs and provide a more efficient process to accommodate all parties.

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. 981, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 981, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 153 (Joint) Judiciary and Labor and Transportation and Energy on S.B. No. 1163

The purpose and intent of this measure is to impose civil penalties, rather than criminal penalties, for violating certain safety measures, practices, or requirements with respect to the operation or use of airports and airport facilities, and certain licensing and regulatory requirements for commercial activities at airports.

Your Committees received testimony in support of this measure from the Aircraft Owners and Pilots Association; East West Avionics, Inc.; General Aviation Council of Hawaii; and forty-one individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation and one individual. Your Committees received comments on this measure from one individual.

Your Committees find that existing law imposes criminal penalties for violations of certain categories of airport rules relating to safety measures, practices, or requirements; airport security measures or requirements; or licensing and regulation of persons engaged in commercial activities at public airports. Written testimony in support of this measure indicates that the criminal penalties imposed are extreme and disproportionate to the acts. The criminal penalties for certain airport offenses can result in significant consequences for pilots, including the loss of the pilots' license or necessary security clearance. This measure decriminalizes certain airport offenses while maintaining the Department of Transportation's authority to enforce laws and rules relating to the operation of the airports, including airport security offenses.

Your Committees note that this measure imposes a civil penalty for any violation of a safety measure, practice, or requirement, and imposes a criminal penalty for any violation of an airport security measure or requirement. Your Committees believe that distinguishing between a safety measure and security measure merits further discussion as this measure moves through the legislative process due to the different types of penalties imposed as well as determining whether safety measures should conform with Federal Aviation Administration and Transportation Security Administration regulations. Your Committees further note that the Department of Transportation is engaged in discussions with stakeholders in developing a general aviation handbook to set forth standards and rules.

Your Committees have amended this measure by:

- (1) Amending the severability clause under section 3 to:
 - (A) Delete language that authorizes the Governor to modify the strict provisions of this measure and report any modifications to the Legislature only to the extent necessary to not jeopardize the receipt of any federal aid nor impair the obligation of the State to the holders of any state issued bond; and
 - (B) Add language that clarifies if any provision of this measure conflicts with any federal law, jeopardizes receipt of federal aid, or impairs the obligation of the State with respect to holders of state issued bonds, that provision is void and all other provisions of this measure will remain in effect and enforceable;
- (2) Inserting an effective date of January 7, 2059, 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 Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1163, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1163, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).
Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 154 Judiciary and Labor on S.B. No. 1114

The purpose and intent of this measure is to allow the Hawaii Labor Relations Board to request that the parties appearing before the Board submit proposed findings of fact and conclusions of law.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board and University of Hawaii Professional Assembly.

Your Committee finds that hearings before the Hawaii Labor Relations Board regarding collective bargaining in public employment, the Hawaii Employment Relations Act, and the Hawaii Occupational Safety and Health law can result in high costs and be an onerous process. Implementation of this measure will reduce costs and provide a more efficient process to accommodate all parties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1114 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 155 Judiciary and Labor on S.B. No. 969

The purpose and intent of this measure is to make an emergency appropriation to the Department of Human Resources Development to pay workers' compensation claims required under chapter 386, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Human Resources Development.

Your Committee finds that a critical funding crisis exists and the Department of Human Resources Development will not be able to meet its legal obligation to pay the workers' compensation benefits that are due to State of Hawaii employees who sustain work-related injuries and illnesses during fiscal year 2016-2017; therefore, an emergency appropriation of additional funds is warranted.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 156 Judiciary and Labor on S.B. No. 426

The purpose and intent of this measure is to clarify that the offense of abuse of a family or household member is a class C felony if the physical abuse consists of intentionally or knowingly impeding the normal breathing or circulation of the blood of the family or household member by blocking the family or household member's nose or mouth.

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 Hawaii; Office of the Prosecuting Attorney, County of Kaua'i; Department of the Prosecuting Attorney, County of Maui; Police Department, City and County of Honolulu; Domestic Violence Action Center; and one individual. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that the offense of abuse of a family or household member is a class C felony if the physical abuse consists of strangulation by applying pressure to the neck or throat to impede the normal breathing or circulation of blood. However, there may be cases in which normal breathing is impeded through suffocation, via the defendant covering the family or household member's mouth or nose, rather than by applying pressure on the throat or neck. This measure clarifies that the offense of abuse of a family or household member is a class C felony if the physical abuse consists of suffocation by blocking the family or household member's nose or mouth.

However, your Committee notes that the blocking of either the nose or the mouth may be insufficient to impede normal breathing of the family or household member. Furthermore, the Office of the Public Defender raised concerns in its written testimony that a participant who is trying to calm an argument down by covering the mouth of a family or household member could be charged with a felony offense. Your Committee believes that the specific conduct of applying pressure to the neck or throat and blocking of the nose or mouth merit further discussion.

Accordingly, your Committee has amended this measure by:

- (1) Deleting any reference to the manner in which normal breathing or blood circulation may be impeded, thereby clarifying that intentionally or knowingly impeding the normal breathing or circulation of blood of a family or household member by any means is a class C felony;
- (2) Inserting an effective date of January 7, 2059, 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. 426, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, 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. 157 Judiciary and Labor on S.B. No. 322

The purpose and intent of this measure is to:

- (1) Clarify that the circuit courts have concurrent jurisdiction with the family court over certain felonies when multiple offenses are charged and at least one of the offenses is a violation of the offense of endangering the welfare of a minor in the first degree, endangering the welfare of a minor in the second degree, or endangering the welfare of an incompetent person; and
- (2) Clarify that the district courts have concurrent jurisdiction with the family court of any violation of the offense of endangering the welfare of a minor in the second degree or endangering the welfare of an incompetent person when multiple offenses are charged and at least one of the offenses is a criminal offense within the jurisdiction of the district courts.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney, County of Kaua'i; Department of the Prosecuting Attorney, County of Maui; and one individual.

Your Committee finds that circuit, district, and family courts each have exclusive, original jurisdiction over certain matters as provided by law. There may be circumstances in which an entire act may be comprised of charges for which courts have separate exclusive jurisdiction. For example, when a person operates a vehicle under the influence of an intoxicant with a minor as a passenger in that vehicle, this person could be charged with the offense of operating a vehicle under the influence of an intoxicant and the offense of endangering the welfare of a minor. Double jeopardy protections require that a defendant be charged with all known potential

charges at the same time, but the family court does not have jurisdiction over operating a vehicle under the influence of an intoxicant cases unlike child endangerment cases. As a result, the State must choose between charging the defendant in district court for operating a vehicle under the influence of an intoxicant or in family court for the child endangerment. This measure will allow the circuit and district courts to have concurrent jurisdiction with the family court over certain endangerment offenses under certain circumstances to allow for proper charging and prosecution of these cases.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 322, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 322, 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. 158 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 121

The purpose and intent of this measure is to:

- (1) Broaden the scope of condominium related disputes for which an apartment owner or the board of directors can mandate mediation;
- (2) Lower the additional annual Condominium Education Trust Fund fee to 75 cents times the number of condominiums units included in a registered project or association and discourage future surpluses of the fee;
- (3) Specify that any surplus funds collected for the additional annual Condominium Education Trust Fund to support mediation may be used for any educational purpose provided under section 514B-71(a), Hawaii Revised Statutes; and
- (4) Amend the conditions that mandate mediation and exceptions to mandatory mediation.

Your Committees received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners; Hawaii Chapter of the Community Associations Institute, Legislative Action Committee; Associa; and six individuals. Your Committees received testimony in opposition to this measure from the Real Estate Commission. Your Committees received comments on this measure from one individual.

Your Committees find that under existing law, mediation is only nominally mandatory, as there are few incentives and no penalties for any board that refuses to engage in mediation. This measure mandates mediation and provides a simple mechanism to enforce the mandate. Your Committees note that the mandatory mediation proposed by this measure is intended to require parties to resolve condominium-related disputes outside of the courtroom. Your Committees also note that all parties affected by this measure are expected to comply with the mandatory mediation procedures required by law.

Your Committees have heard the concerns raised by the Real Estate Commission regarding expanding the scope of disputes for which a party can initiate a mandatory mediation to include design and construction defect claims. According to the Real Estate Commission, construction defect claims involving developers or contractors generally go to arbitration or litigation and the Commission ordinarily lacks jurisdiction over these entities or individuals. The Commission also expressed concern over the proposed reduction in monies collected into the Condominium Education Trust Fund. The Commission noted that the proposed reduction in funds, combined with the proposed expansion of the subjects permissible for mediation, may make it difficult for the Commission to continue appropriately carrying out its duties. Your Committees understand these concerns and conclude amendments to this measure are necessary.

Your Committees have amended this measure by:

- (1) Expanding the scope of the Condominium Education Trust Fund to cover voluntary binding arbitration between interested parties and specifying requirements for parties who wish to enter into voluntary binding arbitration;
- (2) Deleting language that would have expanded the scope of disputes for which a party could initiate mandatory mediation to include design and construction defect claims;
- (3) Deleting language that would have lowered the additional annual Condominium Education Trust Fund fee;
- (4) Deleting language that would have required the Real Estate Commission to anticipate any surplus in the Condominium Education Trust Fund and reduce by that amount of surplus the money collected for registration in the next biennium;
- (5) Clarifying that if evaluative mediation is requested in writing by one party, the other party cannot choose facilitative mediation instead, and any attempt to do so shall be treated as a rejection to mediate;
- (6) Capping the attorneys' fees and costs for a prevailing party at \$1,500, rather than \$200;
- (7) Updating the purpose section; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 121, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 121, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 159 (Joint) Commerce, Consumer Protection, and Health and Higher Education on S.B. No. 1078

The purpose and intent of this measure is to try to alleviate the shortage of primary health care providers in Hawaii by appropriating funds to the loan repayment program administered through the John A. Burns School of Medicine at the University of Hawaii at Manoa.

Your Committees received testimony in support of this measure from the Department of Health, Department of Labor and Industrial Relations, University of Hawai'i System, Hawai'i State Center for Nursing, The Queen's Health Systems, Healthcare Association of Hawaii, 'Ohana Health Plan, AlohaCare, Lāna'i Community Health Center, Hawai'i Pacific Health, Hawai'i Academy of Family Physicians, Hawai'i Psychological Association, Hawaii Medical Service Association, and sixteen individuals. Your Committees received comments on this measure from the Hawaii Medical Board.

Your Committees find that Hawaii is facing a shortage of over five hundred doctors, and that this shortage threatens the health of Hawaii residents and cumulatively affects the State's healthcare costs. Your Committees further find that access to care in rural and underserved areas of Hawaii is especially concerning, as these areas have been the most significantly affected by the shortage of primary and behavioral healthcare providers.

Your Committees recognize the increasingly high education costs for healthcare professionals and the need for the State to make efforts to attract healthcare professionals to practice in Hawaii. Currently, the John A. Burns School of Medicine at the University of Hawaii at Manoa administers the only loan repayment program available in the State to healthcare professionals. Your Committees find that healthcare professionals who have benefited from the loan repayment program serve in communities across the State, including Waianae, Hilo, and Wailuku. Your Committees note testimony submitted by the University of Hawai'i System indicating that because federal funding for the program requires a local dollar-for-dollar match, without financial support from the State the program will not be able to reapply for the federal grant and the loan repayment program will end.

Your Committees have amended this measure by:

- (1) Inserting language to clarify that the loan repayment program referred to is the Hawaii Rural Health Care Provider Loan Repayment Program and deleting the reference to psychologists, social workers, licensed professional counselors, and marriage and family therapists benefitting from the program because those professions are not included in section 309H-3, Hawaii Revised Statutes, which establishes the Hawaii Rural Health Care Provider Loan Repayment Program;
- (2) Inserting a blank appropriation amount; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that although the appropriation amount has been removed, the recommended appropriation for the Hawaii Rural Health Care Provider Loan Repayment Program is \$250,000.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1078, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 160 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 391

The purpose and intent of this measure is to:

- (1) Clarify the process, including payment obligations, mediation requirements, and triggers for further default, where a condominium owner and association reach a payment plan to resolve a nonjudicial foreclosure; and
- (2) Establish procedures that provide condominium owners with the right to submit disputed legal fees, penalties or fines, late fees, lien filing fees, or other charges, except for common expense assessments, to the mediation process prior to payment.

Your Committees received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners; Community Associations Institute, Hawaii Chapter; Community Associations Institute, Legislative Action Committee; Hui 'Oia'i'o; Associa; and four individuals.

Your Committees find that under existing law, if an association of apartment owners starts a nonjudicial foreclosure against a unit owner and the owner pays off the delinquency or proposes a payment plan that the association accepts, the association is supposed to rescind the notice of foreclosure and not proceed. However, proposing a payment plan is not sufficient on its own to cure a default. Accordingly, this measure clarifies the process once a condominium owner and association agree on a payment plan to resolve a nonjudicial foreclosure.

Your Committees further find that Hawaii's existing condominium law contains a "pay first, dispute later" requirement, under which owners are not permitted to withhold any assessment claimed by their association, but must first pay the disputed amounts and then exercise their right to mediation, arbitration, or small claims court. Since common area maintenance fees, also known as common expense assessments, are vital to an association, any exception to the pay first, dispute later principle must be narrowly tailored and carefully crafted. Accordingly, this measure amends the pay first, dispute later requirement to make it clear that common expense

assessments are the only fees that must be paid prior to initiating a dispute. All other penalties or fines, late fees, lien filing fees, or other charges in an assessment may be submitted to mediation prior to payment.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 391 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 161 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 430

The purpose and intent of this measure is to repeal the Uniform Athlete Agents Act and replace it with a new Revised Uniform Athlete Agents Act, which:

- (1) Expands the definition of “athlete agent” to include individuals who, for compensation or the anticipation of compensation, serve a student athlete as a financial advisor or business manager;
- (2) Requires reciprocity for athlete agents who are registered in more than one state;
- (3) Strengthens requirements for athlete agent contracts; and
- (4) Strengthens requirements under which athlete agents must notify the educational institution at which a student athlete is enrolled.

Your Committees received testimony in support of this measure from the University of Hawai‘i at Manoa Athletic Department, University of Hawai‘i at Hilo Athletic Department, Commission to Promote Uniform Legislation, and one individual. Your Committees received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs.

Your Committees find that the improper recruitment of a student athlete who is still enrolled in an educational institution can cause substantial eligibility problems for the student athlete and the educational institution, which can also lead to severe economic sanctions and loss of scholarships for the institution. In an effort to counteract this issue, in 2007, Hawaii joined approximately forty other states by enacting the Uniform Athlete Agents Act, codified as chapter 481E, Hawaii Revised Statutes. Although the Uniform Athlete Agents Act has helped reduce improper contact between agents and student athletes, since the Act’s adoption, a variation of the sports agent problem has emerged in the form of “financial advisers” who seek contact with student athletes.

Your Committees note that to address emerging issues, the Uniform Law Commission adopted a Revised Uniform Athlete Agents Act, which expands the registration requirements for athlete agents to cover financial advisers in some circumstances, requires reciprocity in registration for athlete agents, increases the requirements for athlete agents to notify educational institutions when the agents are recruiting a particular student athlete, establishes penalties for athlete agents who violate the act, and ensures student athletes have a right of action against an athlete agent who violates the act. This measure adopts the Revised Uniform Athlete Agents Act, which contains superior protections for student athletes and educational institutions.

Your Committees have amended this measure by:

- (1) Incorporating suggested amendments from the Professional and Vocational Licensing Division and the Regulated Industries Complaints Office, which standardize certain language to reflect language found in other licensing statutes within the purview of the Department of Commerce and Consumer Affairs, including:
 - (A) Clarifying the professionals that are encompassed in the term “licensed, registered, or certified professional”;
 - (B) Clarifying the powers and duties of the Director of Commerce and Consumer Affairs;
 - (C) Ensuring that the Department of Commerce and Consumer Affairs would reciprocally register other athlete agents who are registered in other states that have also adopted the Revised Athlete Agents Act;
 - (D) Clarifying the registration renewal process for athlete agents;
 - (E) Adding standard procedural language to enable the Director of Commerce and Consumer Affairs to deny, suspend, revoke, or refuse to renew a certificate of registration after proper notice and an opportunity to be heard; and
 - (F) Removing language that referenced administrative penalties in a section that establishes criminal penalties for athlete agents;
- (2) Inserting an effective date of July 1, 2018, to correspond to the existing registration renewal schedule for athlete agents; 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, Consumer Protection, and 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. 430, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 430, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 162 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.B. No. 7

The purpose and intent of this measure is to require the Department of Human Services, in collaboration with the Department of Health, to create a Medicaid supportive housing services benefit plan to enable Medicaid to pay for supportive housing services, including applying for a 1115 waiver or state Medicaid plan amendment to include supportive housing services for chronically homeless individuals.

Your Committees received testimony in support of this measure from Hawai'i Pacific Health; Ho'omana Pono, LLC; and one individual. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that homelessness continues to be one of Hawaii's most important and challenging social problems, and that many people who experience homelessness have significant health care needs. In fiscal years 2014 and 2015, The Queen's Medical Center reported treating 3,441 homeless patients. For many individuals with complex health conditions, housing instability is a significant barrier to consistent health care access, which results in excessive use of expensive emergency department, inpatient treatment, and crisis services.

Your Committees recognize that while there is an integral link between health and housing, it is difficult to identify and work with individuals who have health and housing needs. Your Committees find that the healthcare system can be one valuable point of identification to not only collect data but also encourage clinicians to recognize the social impact of housing, employment, social networks, and economic status on health through improved communication between a doctor and patient. Your Committees recognize the existing efforts by the Department of Human Services, in collaboration with the Governor's Coordinator on Homelessness and other community partners, to study and address the intersection between healthcare and homelessness, but want to ensure that progress continues toward expanding supportive housing services for Hawaii's homeless individuals.

Accordingly, your Committees have amended this measure by:

- (1) Amending the purpose section to discuss the Hawaii Pathways Project pilot;
- (2) Requiring the Department of Human Services, in collaboration with the Department of Health, to review the progress of the Hawaii Pathways Project pilot, rather than establish a Medicaid supportive housing services benefit plan, and continue to pursue efforts to utilize Medicaid to provide supportive housing services for chronically homeless individuals;
- (3) Requiring the Department of Human Services to consider certain services, actions, and strategies in planning for the expansion of supportive housing services provided through Medicaid managed care plans, rather than in developing the Medicaid supportive housing services benefit plan;
- (4) Removing the requirement that the Department of Human Services submit the Medicaid supportive housing services benefit plan to the Legislature and inserting language to require the Department of Human Services to submit a report to the Legislature that includes the status of the proposed amendment to expand the state 1115 Medicaid waiver, a description of supportive housing services to be provided to the chronically homeless population, and proposed eligibility criteria to qualify for supportive housing services; and
- (5) 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, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 7, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 7, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Nishihara, Ruderman).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 163 Commerce, Consumer Protection, and Health on S.B. No. 503

The purpose and intent of this measure is to require health insurance coverage for case management services by licensed mental health providers for victims of sexual violence and abuse.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Department of the Prosecuting Attorney of the City and County of Honolulu; Hawaii Women's Coalition; American Association of University Women - Hawai'i; Planned Parenthood Votes Northwest and Hawaii; Sex Abuse Treatment Center; YMCA O'ahu; American Association of University Women - Windward O'ahu; Community Alliance on Prisons; LGBT Caucus of the Democratic Party of Hawai'i; National Women's Political Caucus, Hawaii Chapter; and twelve individuals. Your Committee received comments on this measure from the Department of Human Services and Hawaii Medical Service Association.

Your Committee finds that sexual violence and abuse are extremely prevalent. According to testimony received by your Committee, an estimated 19.3 percent of women and 1.7 percent of men are survivors of rape, and an estimated 43.9 percent of women and 23.4 percent of men have experienced other forms of sexual violence within their lifetimes. Statistics for child victims of abuse indicate that one in four girls and one in six boys will be sexually abused before they turn eighteen.

Your Committee further finds that trauma from sexual violence and abuse can have significant, lasting impacts on a survivor's mental health, which can interfere with the survivor's functional ability to engage and interact with the world. Survivors with mental health illness caused, in whole or in part, by sexual violence and abuse can require case management services, a professional intervention where a survivor's mental health provider helps the patient link to and coordinate with other service providers, systems, programs, and entitlements. This measure requires insurance coverage for case management for victims of sexual violence and abuse, which will ensure that more survivors of sexual violence and abuse receive this particular kind of coordinated, multi-disciplinary care

that is medically necessary for some survivors to recover and heal and which can help survivors avoid additional harm and decompensation.

Your Committee has heard the testimony from the Department of Human Services that this measure may require an amendment to the section 1115 waiver to cover the services proposed by this measure. Although your Committee understands these concerns, your Committee notes that managed care plans offered through the Department are already subject to the requirements of chapter 431M, Hawaii Revised Statutes, so language requesting approval from the Centers for Medicare and Medicaid Services will not be necessary.

Your Committee has amended this measure by:

- (1) Clarifying that case management must be provided by a qualified mental health provider that identifies needs and assists victims of sexual violence and abuse;
- (2) Clarifying that the proposed case management services under this measure shall be provided directly or contracted out, depending on the applicable health plan;
- (3) Updating the purpose section; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 503, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 503, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chang, Ihara, Kidani).

SCRep. 164 Commerce, Consumer Protection, and Health on S.B. No. 949

The purpose and intent of this measure is to make various updates to the money transmitters law, chapter 489D, Hawaii Revised Statutes, including:

- (1) Clarifying permissible investment requirements for money transmitter licensees;
- (2) Updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks; and
- (3) Updating various definitions.

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 money transmitters are responsible for transmitting billions of dollars for consumers to locations around the world. Improper practices can result in loss of consumer funds and movement of money promoting or derived from unlawful activity. This measure makes various updates to clarify and strengthen Hawaii's Money Transmitters Act, including clarifying permissible investment requirements for money transmitter licensees and updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks. This measure also improves licensee compliance, enhances the Division of Financial Institutions' ability to effectively administer the money transmitters law, ensures the law is more clearly applicable to new technology and creative payment options, and enhances consumer protection by strengthening requirements for background information on persons associated with a money transmitter licensee.

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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 949, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 165 (Joint) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health on S.B. No. 909

The purpose and intent of this measure is to provide policy guidance on preparing for, responding to, recovering from, and mitigating against any actual or potential energy supply disruption or shortage to preserve the State's energy security and to ensure that fuel products and energy resources are made available to emergency services and the public in an orderly, efficient, and safe manner.

Your Committees received testimony in support of this measure from the Department of Transportation; Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; State Department of Defense Office of Homeland Security; Department of Emergency Management; Hawaii Emergency Management Agency; County of Kauai Emergency Management Agency; Hawaii Natural Energy Institute; The Maritime Group, LLC; and one individual. Your Committees received comments on this measure from the Office of Information Practices and Island Energy.

Your Committees find that ensuring that officials have proper guidance in case of an energy supply disruption or shortage is vital to protecting energy resources and providing stability in a time of crisis. In case of an energy supply shortage, it is essential that

emergency services and the public have access to energy resources and can access those resources in an orderly and well-defined manner. Accordingly, this measure:

- (1) Provides up-to-date policy guidance on data and analysis required to prepare for, respond to, and mitigate against an actual or potential energy supply disruption or shortage;
- (2) Provides protection for confidential information collected to effectuate those purposes; and
- (3) Clarifies the powers of the Governor and the Director of Business, Economic Development, and Tourism in an energy shortage or state of emergency.

Your Committees have amended this measure by:

- (1) Clarifying, upon the recommendation of the Office of Information Practices, that certain information the Department of Business, Economic Development, and Tourism receives shall be afforded all protections from disclosure allowed under chapter 92F, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy, Public Safety, Intergovernmental, and Military Affairs, and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 909, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 909, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Thielen, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Chang, Kidani, Ruderman).

SCRep. 166 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 519

The purpose and intent of this measure is to specify that citizen complaints against a police officer that involve allegations of domestic violence against a family or household member by the police officer shall not be required to be in writing or sworn to by the complainant.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, American Association of University Women Hawaii, Domestic Violence Action Center, Hawaii Women's Coalition, and Hawaii State Coalition Against Domestic Violence. Your Committee received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers.

Your Committee finds that curtailing domestic violence is important for the health, safety, and welfare of citizens and that a vital part of reducing domestic violence is ensuring that those reporting acts of domestic violence feel secure and confident in coming forward with complaints. The fear of chilling the voices of those wishing to report acts of domestic violence is particularly worrisome when those reports complain of acts of domestic violence perpetrated by a police officer against a family or household member. Accordingly, this measure allows an individual to make a complaint against a police officer alleging an act of domestic violence against a family or household member without being required to swear to or make the complaint in writing.

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. 519, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 519, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 167 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 898

The purpose and intent of this measure is to:

- (1) Allow, upon application by a law enforcement officer and issuance of a warrant by a court, law enforcement to seize and retain firearms or ammunition owned, possessed, or controlled by a person who poses a serious risk of violence or harm to public safety; and
- (2) Allow a court to decide whether to retain seized firearms and ammunition upon a hearing to determine if the person does pose a risk of violence or harm to the public.

Your Committee received testimony in support of this measure from the Department of the Attorney General, City and County of Honolulu Police Department, County of Hawaii Police Department, and County of Kauai Police Department. Your Committee received testimony in opposition to this measure from the National Rifle Association Hawaii, Institute for Rational and Evidence-based Legislation, Lessons in Firearms Education Hawaii, and eighteen individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that preventing persons who pose a serious risk of violence or harm to the public from accessing firearms or ammunition is critical to ensuring public safety. Currently, there is little that law enforcement officers can do to prevent an individual from gaining possession of and subsequently using a firearm even when the officers are aware that the individual may pose a serious risk of violence or harm to the public. Accordingly, this measure:

- (1) Allows law enforcement officers in the State to seize and retain firearms or ammunition owned, possessed, or controlled by a person who poses a serious risk of violence or harm to public safety upon submission to a court of an affidavit stating why the officer believes the person poses a serious risk of violence or harm to public safety and the issuance of a warrant by the court;
- (2) Requires the court to conduct a hearing within thirty days of the issuance of the warrant to determine whether the person does pose a serious risk of violence or harm to the public; and
- (3) Allows the court to return seized firearms and ammunition to the person if the court finds that the person does not pose a serious risk of violence or harm to the public or retain the firearms until the court orders their return if the court finds that the person does pose a serious risk of violence or harm to the public.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on 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. 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 168 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 996

The purpose and intent of this measure is to create an exception for corrections agencies to subject employees or prospective employees to a lie detector test.

Your Committee received testimony in support of this measure from the Department of Public Safety and one individual.

Your Committee finds that the hiring of high-quality employees by the Department of Public Safety, particularly in corrections agencies, is vital to protecting the health, safety, and welfare of the public. One way to increase the quality of employees is through the administration of lie detector tests to employees or prospective employees. Accordingly, this measure creates an exception for corrections agencies, thereby allowing them to, among other things, require employees or prospective employees to submit to a lie detector test as a condition of employment or continued employment and to further allow corrections agencies to terminate or discriminate against employees or prospective employees who refuse to submit to a lie detector test.

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. 996, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 996, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 169 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 506

The purpose and intent of this measure is to:

- (1) Provide certain rights to sexual assault victims;
- (2) Institute mandatory sexual assault evidence kit testing requirements in accordance with guidelines established by the Department of the Attorney General through the malama kakou project;
- (3) Require the Department of the Attorney General to report annually to the Legislature on statistical data pertaining to the testing of sexual assault evidence collection kits; and
- (4) Require the Department of the Attorney General to report to the legislature by the beginning of the 2018 regular session on the progress of implementing the guidelines.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Office of the Prosecuting Attorney, County of Hawai'i; Department of the Prosecuting Attorney for the City and County of Honolulu; Honolulu Police Department; American Association of University Women Hawaii; Community Alliance on Prisons; Hawaii Women's Coalition; Planned Parenthood Votes Northwest and Hawaii; The Sex Abuse Treatment Center; Hawaii State Coalition Against Domestic Violence; Joyful Heart Foundation; and one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the efficient and proper testing of sexual assault evidence kits is essential to maintaining the health, safety, and welfare of the public. An inventory of all stored sexual assault evidence collection kits as required by the Legislature in 2016 found that regular and systematic testing of these kits by county police departments has been inadequate. Further, the Legislature directed the Department of the Attorney General to convene a working group, referred to as the malama kakou project, to develop statewide standards and practices for the testing of sexual assault evidence collection kits. The project developed a plan to reform the testing of sexual assault evidence collection kits and established guidelines to determine whether a kit should be tested, a priority order for kits that are to be tested, and a process for police departments to follow in implementing the defined criteria and priorities. Implementation of these guidelines and corresponding accountability measures should increase the frequency of the testing of sexual assault evidence collection kits and help to better protect the rights of sexual assault victims.

Your Committee acknowledges the concerns of the Director of the City and County of Honolulu's Scientific Investigation Center that an accredited outside laboratory may be too busy to accept a sexual assault evidence collection kit from a law enforcement agency within an established ninety-day deadline.

Your Committee is also concerned that simply applying a deadline for a law enforcement agency to submit a request to an accredited outside laboratory for the testing of a sexual assault evidence collection kit may not result in actually obtaining test results. Therefore, your Committee believes that an amendment to this measure is necessary to require a submitting law enforcement agency to follow up on any testing submitted to an accredited outside laboratory.

Your Committee also understands the concerns that the Office of the Prosecuting Attorney of the County of Hawai'i and The Sex Abuse Treatment Center raised in their testimony about the inapplicability of sexual assault survivor's rights to backlogged sexual assault evidence collection kits currently being tested. According to the testimony, survivors of past sexual assaults may experience trauma if they are notified that a tested kit did not result in any actionable "hits". It has therefore been recommended to your Committee that survivors of past sexual assaults be allowed to request test results, but not be affirmatively notified.

Your Committee is unclear, however, as to why a survivor of a sexual assault this year can be affirmatively notified of the test results, but a survivor of a sexual assault last year would be traumatized by a similar affirmative notification. Your Committee finds that there may be a justification for treating test result notification for older sexual assault evidence collection kits differently than more recent kits, but on its face, such a requirement appears inconsistent and to grant less notification and rights to survivors of all previous sexual assaults compared to prospective survivors. Perhaps, as this measure moves forward, the testifying organizations may be able to provide some clarification addressing your Committee's concerns.

Your Committee has amended this measure by:

- (1) Requiring the law enforcement agency that submits a request for the testing of a sexual assault evidence collection kit to an accredited outside laboratory to follow up on the testing to obtain test results within ninety days of the request; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee acknowledges the testimony of the Department of the Attorney General requesting funding for additional prospective sexual assault evidence collection kits that are not covered by federal Sexual Assault Kit Initiative (SAKI) grants. The Department of the Attorney General's request appears to be a request to cover operational costs of law enforcement, and the specific amount appears to be an estimate based on the number of sexual assault evidence collection kits tested in prior years. Your Committee recommends that this matter of funding be considered by your Committees on Judiciary and Labor and Ways and Means if they choose to hear this measure.

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 your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 170 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 614

The purpose and intent of this measure is to delete the sunset provision for Act 139, Session Laws of Hawaii 2012, as amended, to make permanent provisions of the Act regarding pretrial risk assessments and parole.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, Progressive Democrats of Hawaii, Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, and six individuals.

Your Committee finds that overcrowding in jails and prisons is a growing concern and a situation that can lead to negative impacts for the public. One factor that contributes to overcrowding is the lack of or inefficient granting of parole. Another factor is the length of time that pre-trial offenders are held in custody. The Legislature addressed these problems previously, and as a result, the courts and the parole authority have been able to work with greater efficiency. Accordingly, this measure is to ensure the continued improvement of efficiency in parole decisions and pretrial risk assessment by making a measure previously enacted by the Legislature permanent.

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. 614 and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 171 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 674

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;
- (2) Establish jury instructions when the court determines that the eyewitness identification is admissible; and
- (3) Require the Attorney General to establish procedures for the implementation of uniform statewide eyewitness identification procedures.

Your Committee received testimony in support of this measure from Hawai'i Innocence Project, Community Alliance on Prisons, and two 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 received comments on this measure from the United States Department of Justice Office of the Deputy Attorney General, Hawaii Supreme Court Standing Committee on the Hawai'i Rules of Evidence, and Department of the Attorney General.

Your Committee finds that the use of proper eyewitness identification procedures by law enforcement is critical to protecting individual rights and personal liberty. While law enforcement in the State has its own procedures for eyewitness identifications, there are no uniform standards that ensure that law enforcement is engaging in the best practices that will offer the greatest protections for individuals.

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. 674 and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 172 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 131

The purpose and intent of this measure is to appropriate funds as a grant to Empower O'ahu to maintain and expand the weed and seed strategy for reclaiming and restoring local communities.

Your Committee received testimony in support of this measure from the Department of the Attorney General and twenty-four individuals.

Your Committee finds that the United States Department of Justice's weed and seed strategy is a proven strategy for preventing, controlling, and reducing violent crime and drug abuse. The strategy calls for local law enforcement to "weed out" the criminal element in neighborhoods then for public agencies and private entities to work together to "seed" the communities with human services that include prevention, intervention, treatment, and neighborhood revitalization. The strategy has been implemented successfully in the Kalihi-Palama and Chinatown areas of downtown Honolulu, and those successes warrant an expansion of the program into other communities. Accordingly, this measure appropriates \$400,000 as a grant to Empower O'ahu to maintain and expand the weed and seed strategy.

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. 131 and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 173 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 603

The purpose and intent of this measure is to create restrictions and guidelines on the use of administrative segregation and disciplinary segregation in correctional facilities.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, and seventeen individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety and United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that administrative or disciplinary segregation on inmates is a significant action taken against inmates and use of either requires clearly established guidelines. Administrative and disciplinary segregation are actions ripe for abuse, and the impacts of any such abuse can be harmful and long-lasting. Accordingly, this measure:

- (1) Establishes the maximum length of time that an inmate may be held in administrative or disciplinary segregation;
- (2) Establishes procedures for continued placement in administrative or disciplinary segregation;
- (3) Creates restrictions on the deprivation of certain necessities of an inmate in administrative or disciplinary segregation;
- (4) Establishes guidelines for the use of administrative or disciplinary segregation on a member of a vulnerable population; and
- (5) Establishes criteria for classifying an inmate as a member of a vulnerable population.

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. 603 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 174 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 108

The purpose and intent of this measure is to require law enforcement agencies, including county police departments, to make personnel knowledgeable in and implement the Law Enforcement Assisted Diversion approach.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Community Alliance on Prisons; Drug Policy Forum of Hawai'i; FACE; Harm Reduction Hawaii; Hawai'i Friends of Restorative Justice; Hawaii Substance Abuse Coalition; Ho'omana Pono, LLC; IHS, The Institute for Human Services, Inc.; The Salvation Army; YWCA O'ahu; Mental Health America of Hawai'i; American Civil Liberties Union of Hawai'i; The CHOW Project; Action with Aloha; Hawaii Youth Services Network; Young Progressives Demanding Action; and twenty-five individuals. Your Committee received testimony in

opposition to this measure from the Department of Public Safety and one individual. Your Committee received comments on this measure from the Department of Health and Governor's Coordinator on Homelessness.

Your Committee finds that reducing the criminal behavior of individuals engaged in low-level offenses is a worthwhile endeavor that will improve public safety and order. The Law Enforcement Assisted Diversion (LEAD) concept, originating in Seattle in 2011, is an approach to addressing the criminal behavior of individuals engaged in low-level offenses that has shown great early success in a number of jurisdictions across the country. The LEAD approach allows law enforcement officers to refer willing low-level offenders to social, psychological, or civil legal services as an alternative to 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. 108 and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 175 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 862

The purpose and intent of this measure is to allow counties with populations less than one hundred thousand to enact a zoning ordinance to amortize or phase out nonconforming single-family transient vacation rental units over a reasonable period of time.

Your Committee received testimony in support of this measure from the County of Kaua'i Planning Department and four individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS, Rental By Owner Awareness Association, and one individual.

Your Committee finds that single-family transient vacation rentals create significant zoning and zoning enforcement issues, particularly in the State's less populated counties. There is a persistent issue regarding whether single-family transient vacation rentals should be treated as residential or resort units. Accordingly, this measure would allow counties with populations less than one hundred thousand to address this ongoing concern by enacting a zoning ordinance to amortize or phase out nonconforming single-family transient vacation rental units over a reasonable period of time.

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. 862 and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 176 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1000

The purpose and intent of this measure is to authorize crime victim compensation for mental health services for surviving relatives in cases involving a death caused by a violent crime and for children witnesses in cases of abuse of family or household members.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney for the City and County of Honolulu, Crime Victim Compensation Commission, Hawaii State Coalition Against Domestic Violence, Mothers Against Drunk Driving Hawaii, The Sex Abuse Treatment Center, and three individuals.

Your Committee finds that providing compensation for mental health services for surviving family members of those who die from violent crimes and children who witness physical abuse of a family or household member is important for protecting the health, safety, and well-being of these vulnerable citizens. Surviving family can experience significant psychological trauma after the loss of a family member because of violent crime. Likewise, a child who witnesses the physical abuse of a family or household member will often experience significant psychological trauma that can, if untreated, negatively impact the individual for a statutes lack coverage for the families of victims whose death is the result of a violent crime and compensation for children who witness physical abuse of family or household members. Accordingly, this measure addresses the needs of these vulnerable groups by authorizing crime victim compensation for mental health services for survivors in cases involving a death and for children who witness domestic violence.

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. 1000 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 177 Education on S.B. No. 49

The purpose and intent of this measure is to amend the law relating to education.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and replacing it with language to require the Department of Education to collaborate with the Workforce Development Council on workforce development initiatives.

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 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 be recommitted to your Committee on Education, in the form attached hereto as S.B. No. 49, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

SCRep. 178 Education on S.B. No. 198

The purpose and intent of this measure is to:

- (1) Require that every charter school governing board be a nonprofit organization whose primary purpose is operating the charter school;
- (2) Prohibit comingling of monies distributed by the State or federal government for the purpose of operating a charter school with other monies that do not have an educational purpose that benefits the charter school; and
- (3) Require charter schools to indemnify the State against any claims arising from misconduct of the school or the governing board.

Your Committee received testimony in support of this measure from the State Public Charter School Commission and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Educational Policy Center and one individual. Your Committee received comments on this measure from the Department of the Attorney General and Hawaii Public Charter Schools Network.

Your Committee finds that public charter schools are crucial to the State's commitment to provide a quality education to all students in Hawaii. As public institutions, charter schools receive monies from the State and are accountable to the State and the people of Hawaii. Your Committee further finds that additional oversight measures are appropriate to ensure the responsible management of public charter schools and the best educational environment possible for charter school students.

Your Committee additionally finds that the State is prohibited by the Constitution of the State of Hawaii from providing public monies to private schools. Your Committee also finds that requiring charter school governing boards to be nonprofit organizations has the potential to jeopardize the status of those schools as public entities.

Your Committee has amended this measure by:

- (1) Removing the requirement that charter school governing boards be nonprofit organizations;
- (2) Removing the requirement that charter schools and governing boards indemnify the State for claims arising from misconduct by the charter school or members of the governing board;
- (3) Inserting language prohibiting any action of a charter school or its governing board from giving rise to a private cause of action against the State;
- (4) Inserting language requiring all contracts in excess of a minimum amount specified by the State Public Charter School Commission to contain provisions and conditions provided by the Department of the Attorney General; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 198, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 198, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 179 Education on S.B. No. 683

The purpose and intent of this measure is to propose amendments to the Constitution of the State of Hawaii to advance the State's goal of providing a quality education for the children of Hawaii by authorizing the Legislature to establish, as provided by law, a surcharge on residential investment property and visitor accommodations.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Democratic Party of Hawaii, Hui for Excellence in Education, IMUAlliance, Hawaii Children's Action Network, Parents for Public Schools of Hawaii, Hawaii Alliance for Progressive Action, Hawaii Public Charter Schools Network, Hawaii Island School Garden Network, Graduate Student Organization of the University of Hawaii at Manoa, Hawaii Democratic Party Labor Caucus, Americans for Democratic Action, and more than one hundred seventy-five individuals. Your Committee received testimony in opposition to this measure from the Office of the Mayor of the County of Hawaii, Chamber of Commerce Hawaii, Rental by Owner Awareness Association, Wyndham Vacation Ownership, Maui Chamber of Commerce, Building Industry Association of Hawaii, Coalition for Equal Taxation, Hawaii Association of REALTORS, American Resort Development Association, Hawaii Lodging and Tourism Association, and six individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Office of the Managing Director of the City and County of Honolulu, and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's public schools are severely underfunded. When compared to other school districts of similar size, the State ranks two hundred twenty-seventh in per-pupil funding before adjusting for cost of living. This lack of adequate funding has resulted in classrooms overheating because of insufficient heat abatement measures and an inability to repair and renovate deteriorating facilities.

Your Committee further finds that Hawaii is facing a teacher shortage crisis that is primarily due to the State's public school teachers receiving low compensation packages. Studies indicate that Hawaii's beginning teacher salaries are approximately \$4,000 lower than the national average, and that teachers with ten to twenty years of experience have salaries that are \$15,000 to \$20,000 lower on average than their counterparts in comparable districts. This has led to an average of three hundred fifty-nine unfilled teaching positions in the Department of Education from 2011 to 2014, rising to five hundred thirty-one unfilled positions for the 2016-2017 school year.

Your Committee additionally finds that Hawaii is the only State that does not fund education through property taxes. A surcharge on investment properties and visitor accommodations will provide much needed funding for the State's public schools and bring Hawaii's education funding policy closer to other school districts of similar size. This measure will amend the Constitution of the State of Hawaii to facilitate that surcharge.

Your Committee has amended this measure by:

- (1) Removing the language amending Article VIII, Section 3, of the Constitution of the State of Hawaii authorizing the State to establish a surcharge on residential investment property, and inserting functionally similar language in a new section in Article VII; and
- (2) Adding language to the question to be printed on the ballot to further elaborate on the purpose of the proposed amendment.

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. 683, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 683, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Riviere). Noes, none. Excused, 1 (Kahele).

SCRep. 180 (Joint) Commerce, Consumer Protection, and Health and Higher Education on S.B. No. 134

The purpose and intent of this measure is to promote positive health practices and protect University of Hawaii students, employees, and visitors from exposure to secondhand smoke by prohibiting smoking, including the use of electronic smoking devices, and tobacco use on University of Hawaii premises.

Your Committees received testimony in support of this measure from the Department of Health, Department of Education, University of Hawai'i System, American Heart Association, Hawai'i Public Health Institute, Student Health Advisory Council, American Cancer Society Cancer Action Network, and nine individuals. Your Committees received testimony in opposition to this measure from United Public Workers, University of Hawaii Professional Assembly, Hawaii Smokers Alliance, and sixteen individuals. Your Committees received comments on this measure from the University of Hawai'i Student Caucus.

Your Committees find that tobacco use continues to be the single most preventable cause of death and disability in the United States and Hawaii. Cigarette smoking alone is responsible for more deaths than HIV/AIDS, alcohol, motor vehicle crashes, homicide, suicide, and illegal drugs combined. Your Committees further find that the growing popularity of electronic smoking devices is a public health concern, as sales of electronic smoking devices nationwide have doubled each year since 2008.

Your Committees find that tobacco-free college and university campuses present an opportunity to protect over 20,000,000 people across the country from the effects of smoking, as well as a key opportunity to protect youth and young adults from the harm of tobacco and electronic cigarette use. According to the American Nonsmokers' Rights Foundation, as of January 2017, nearly 1,500 colleges and universities nationwide have adopted a completely tobacco-free policy. Many colleges and universities are also including electronic smoking devices in their campus-wide bans. Your Committees note that the benefits of a smoke-free campus go beyond health, increasing productivity and decreasing use of sick time, decreasing employee health care costs, decreasing the risk of fire, and possibly decreasing litter control and maintenance expenses for facilities and grounds. Your Committees find that establishing a smoke-free policy at University of Hawai'i System campuses will demonstrate Hawaii's continued commitment to health.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 134 and recommend that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 181 (Joint) Higher Education and Agriculture and Environment on S.B. No. 806

The purpose and intent of this measure is to address the budgetary shortfalls experienced by the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources Cooperative Extension Service by appropriating funds for one full-time equivalent position within the extension.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawai'i System, University of Hawaii at Manoa College of Tropical Agriculture and Human Resources, Hawaii Farm Bureau, Hawaii Farmers Union United, Farm Lovers Farmers' Markets, Aina Ho'okupu o Kilauea, Hawaii Floriculture and Nursery Association, Landscape Industry Council of Hawaii, and eighteen individuals.

Your Committees find that the University of Hawaii at Manoa College of Tropical Agriculture and Human Resources is in critical need of personnel for its cooperative extension service. The extension faculty workforce has decreased forty-three percent over the past twenty years, and twenty-seven percent over the past six years alone. Your Committees further find that the cooperative extension service is critical to growers of ornamental plants and the landscape industry in Hawaii, and that floriculture and nursery crops represent a \$67,000,000 industry in the State. Your Committees note the University of Hawai'i System's testimony explaining the unique circumstances of funding for agricultural research and extension in Hawaii, and find that funding a full-time equivalent position within the College of Tropical Agriculture and Human Resources cooperative extension service is vital to strengthening communities and sustaining Hawaii's agricultural economy.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 806 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 182 (Joint) Higher Education and Agriculture and Environment on S.B. No. 1082

The purpose and intent of this measure is to support the University of Hawaii at Hilo's agricultural program and agricultural farm by appropriating funds for one full-time farm coordinator position and for equipment for the Hawaii Community College Agriculture Program.

Your Committees received testimony in support of this measure from the Department of Agriculture, University of Hawai'i System, Hawaii Farmers Union United, Hawaii Cattlemen's Council, Hawaii Farm Bureau, Farm Lovers Farmers' Markets, A'a Li'i Farm, and nineteen individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that student interest in the Hawaii Community College Agriculture Program has grown in recent years and the program averages around thirty majors each year. The program prepares students for employment in government service, agribusiness, horticulture, livestock, flowers and foliage, landscape, macadamia nuts, papaya, and coffee industries. Your Committees note that, currently, production at the University of Hawaii at Hilo's agricultural farm, which serves as a live instructional laboratory for both Hawaii Community College and University of Hawaii at Hilo students, is unable to meet demand, and that additional funding for personnel and equipment would help meet the demand. Your Committees find that supporting the efforts of the Hawaii Community College Agriculture Program is important in order to increase Hawaii's self-sufficiency and sustainability efforts as well as to foster a new generation of agriculturalists throughout the State.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture and Environment 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 183 (Joint) Higher Education and Commerce, Consumer Protection, and Health on S.B. No. 730

The purpose and intent of this measure is to establish the global primary care training program that combines the Hilo medical center primary care training program and the University of Hawaii family medicine residency program.

Your Committees received testimony in support of this measure from two individuals. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that Hawaii faces a severe shortage of healthcare providers, especially in primary care where most prevention, early intervention, and healthcare cost savings occur. Your Committees further find that healthcare throughout the State will benefit from allowing and encouraging collaboration between the State's two training programs that reduce the impact of the shortage of primary care providers in Hawaii.

As affirmed by the records of votes of the members of your Committees on Higher Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 730 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

SCRep. 184 (Joint) Higher Education and Water and Land and Agriculture and Environment on S.B. No. 272

The purpose and intent of this measure is to support programs, studies, and activities related to the prevention and eradication of rat lungworm disease by appropriating funds to the University of Hawaii at Hilo, Department of Health, Department of Land and Natural Resources, and Department of Agriculture.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, University of Hawai'i System, Hawaii Farm Bureau, Big Island Invasive Species Committee, Hawaii Farmers Union United, Hawaii Island School Garden Network, Coordinating Group on Alien Pest Species, and forty-eight individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that rat lungworm disease is a relatively new, but very serious, pathogen that plagues the consumption of fresh produce grown in Hawaii. Over the past fifteen years, cases of rat lungworm disease in Hawaii have been increasing in number and severity, in particular throughout areas of the Island of Hawaii. Rat lungworm disease can cause a rare type of meningitis that is extremely painful, debilitating, and even deadly. Furthermore, an extreme case of rat lungworm disease can cost over \$1,000,000. Your Committees find that more research and public education are vital to understanding and preventing this disease.

Your Committees note the significant amount of testimony received in support of this measure, and recognize the need for numerous departments to be active participants in the fight to combat rat lungworm disease. However, your Committees find that funding for efforts to address this disease need to be centralized with one entity to ensure the most efficient use of the State's resources. Your Committees further find that it is essential to the well-being of Hawaii residents, particularly those on the Island of Hawaii, that the University of Hawaii at Hilo work with the other state departments and the Joint Rat Lungworm Task Force created in 2016 at the request of the Governor, to create a coordinated, statewide plan for addressing this important public health concern.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the appropriations to the Department of Health, Department of Land and Natural Resources, and Department of Agriculture in order to streamline all funding for the prevention and eradication of rat lungworm disease through one entity, the University of Hawaii at Hilo;
- (2) Inserting a blank appropriation amount for the University of Hawaii at Hilo for rat lungworm prevention and eradication;
- (3) Including language requiring the University of Hawaii at Hilo to collaborate with the Department of Health, Department of Land and Natural Resources, Department of Agriculture, and the Governor's Joint Rat Lungworm Task Force to establish and implement efforts to prevent and eradicate rat lungworm disease;
- (4) Inserting language requiring the University of Hawaii at Hilo to submit a comprehensive, multi-agency plan to the Legislature regarding efforts to address rat lungworm disease before the appropriated funds may be released to the University; 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 Higher Education, Water and Land, and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 272, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 272, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 185 (Majority) Judiciary and Labor on S.B. No. 249

The purpose and intent of this measure is to:

- (1) Establish that a member of the Employees' Retirement System who first earned credited service as a judge after June 30, 2017, and has at least twelve years of credited service and attained age sixty, or has at least twenty-five years of credited service and has attained age fifty-five is eligible to receive a pension after retirement; and
- (2) Reduce the percentage of average final compensation used to calculate the retirement allowance for a member who first earned credited service as a judge after June 30, 2017, to two per cent.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Judiciary, Hawai'i State Trial Judges Association, University of Hawaii Professional Assembly, and fourteen individuals. Your Committee received comments on this measure from the Employees' Retirement System.

Your Committee finds that there have been various revisions to the Employees' Retirement System, and implementation of this measure is necessary to maintain reasonable and fair benefits under the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Reducing the number of years of credited service required for pension eligibility for a member of the Employees' Retirement System, who first earned credited service as a judge after June 30, 2017, and attained age sixty, from twelve to ten years; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 249, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 186 Judiciary and Labor on S.B. No. 440

The purpose and intent of this measure is to:

- (1) Increase the fine imposed on a noncandidate committee that makes only independent expenditures and either receives certain contributions or makes a certain amount of expenditures in an election period;
- (2) Authorize the Campaign Spending Commission to order a person in violation of campaign finance laws to pay for costs of investigative services and bank fees for the production of subpoenaed documents incurred by the Commission due to the violation; and
- (3) Direct any costs recovered by the Campaign Spending Commission to be deposited into the Hawaii election campaign fund.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, League of Women Voters of Hawaii, and Common Cause Hawaii.

Your Committee finds that by increasing the fine that may be assessed against a noncandidate committee making only independent expenditures, more commonly known as political action committees or Super PACs, for campaign finance law violations, this measure takes into account inflation and the current political landscape as a result of *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), which allowed private entities to donate unlimited amounts of money into elections. Furthermore, directing costs recovered by the Campaign Spending Commission to be deposited into the Hawaii election campaign fund will assist in supporting the sustainability of the fund and the State's partial public funding 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 440, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 440, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 187 Judiciary and Labor on S.B. No. 441

The purpose and intent of this measure is to amend the electioneering communication law by:

- (1) Clarifying that the disclosure date of an electioneering communication for which a statement of information is required to be filed with the Campaign Spending Commission is any date on which an electioneering communication is publicly distributed, if actions taken by the person making the electioneering communication meet certain conditions; and
- (2) Amending the definition of "electioneering communication" to:
 - (A) Clarify that all mailers, rather than only mailers sent at bulk rate, are included as an electioneering communication; and
 - (B) Delete language that excludes expenditures by expending organizations as an electioneering communication, for purposes of consistency.

Your Committee received testimony in support of this measure from the Campaign Spending Commission. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii.

Your Committee finds that this measure provides necessary housekeeping amendments to clarify the disclosure date of an electioneering communication, which impacts the filing of a statement of information, and the types of communication that comprise an electioneering communication.

Your Committee notes that with the proliferation of social media, online electronic communications for elections have increased over the years. Your Committee believes that this mode of electioneering communication merits further discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 441, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 441, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 188 Judiciary and Labor on S.B. No. 615

The purpose and intent of this measure is to:

- (1) Establish a maritime industry grant program within the Department of Labor and Industrial Relations (Department) for the Department to award grants to qualified shipyards;
- (2) Establish eligibility requirements for the award of grants and reporting requirements for the maritime industry grant program;
- (3) Exempt the grants from chapters 42F, 103D, and 103F, Hawaii Revised Statutes; and
- (4) Appropriate funds to the Department for the awarding of grants under the maritime industry grant program.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of the Auditor, and Pacific Shipyards. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that this measure builds upon the success of a pilot project that was collaboratively designed and implemented in 2015 by the Department to develop local talent for maritime welding and ship repair. The impetus of this pilot project was an insufficient number of local, qualified workers that forced employers to import mainland talent at high costs and turnover rates. The pilot project provided recruitment services, internships, and an accelerated maritime welding course that resulted in thirteen trainees being hired by the shipyard. This measure enables the Department to expand the pilot project so that more local, qualified workers can be recruited to fill more high-skilled occupations in the shipyard.

Your Committee notes the testimony of Pacific Shipbuilders and finds that the amendments proposed in that testimony may require further consideration.

Your Committee has amended this measure by:

- (1) As recommended by the Department:
 - (A) Expanding the grant program to allow training providers, in addition to qualified shipyards, receive grants;

- (B) Deleting language that would have allowed grants to be used for capital improvement projects, because the Department lacks the authority to implement those projects;
 - (C) Deleting language that would have allowed grants to be used to purchase machinery and equipment, because the Department lacks the expertise to determine the feasibility of those purchases;
 - (D) Removing the requirement that the Department's report to the Legislature include the actual economic and workforce development benefits realized from the award of each grant, because the Department lacks the expertise to determine such projections; and
 - (E) Allowing, rather than requiring, the Department to adopt rules to implement the grant program;
- (2) Requiring that grant recipients comply with all state and federal laws prohibiting discrimination;
 - (3) Inserting an effective date of January 7, 2059, 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. 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 189 Judiciary and Labor on S.B. No. 1229

The purpose and intent of this measure is to exempt all proceedings relating to parking violations under certain administrative rules from the exclusive, original jurisdiction of the environmental courts.

Your Committee received testimony in support of this measure from the Judiciary and Department of Land and Natural Resources.

Your Committee finds that according to the written testimony submitted by the Judiciary, during the last eighteen months, twenty-seven percent of the cases heard by the environmental courts have been for motor vehicle infractions. This measure allows the environmental courts to focus on environmental cases by removing from the exclusive, original jurisdiction of the environmental courts all proceedings relating to parking violations under certain administrative rules.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1229 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 190 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 239

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to establish a two-year agricultural theft pilot project to focus on investigating and prosecuting agricultural theft or agricultural vandalism in the County of Hawaii; and
- (2) Appropriate funds as a grant-in-aid to the Office of the Prosecuting Attorney, County of Hawaii, to assist in implementing the pilot project.

Your Committees received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; Ponoeholo Ranch, Limited; and two individuals.

Your Committees find that agricultural theft and vandalism in the County of Hawaii are impediments to running a successful and profitable farming operation and are harmful to consumers. Agricultural theft and vandalism are a serious, ongoing problem, with farmers reporting theft of crops, animals, equipment, and tools, and vandalized fences and gates. Since many incidents of agricultural theft and vandalism are not reported, the annual monetary losses can only be estimated in the millions of dollars. By establishing an agricultural theft and vandalism pilot project for the County of Hawaii, this measure provides additional focus on investigating and prosecuting agriculture theft and vandalism.

Your Committees have amended this measure by:

- (1) Inserting an appropriation amount of \$100,000;
- (2) Requiring the Department of Agriculture to submit its report to the Legislature no later than December 31, 2019; 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 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. 239, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 239, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 191 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 773

The purpose and intent of this measure is to:

- (1) Establish an industrial hemp special fund to carry out the purposes of the industrial hemp pilot program by the Department of Agriculture;
- (2) Require each county to recognize the cultivation of industrial hemp or industrial hemp cultivated for the purposes of the pilot program as an agricultural product, use, and activity;
- (3) Specify that any agricultural land used for cultivation of industrial hemp for the purposes of the pilot program shall qualify for the minimum dedication period and be assessed at the lowest percentage of fair market value; and
- (4) Limit the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district.

Your Committees received testimony in support of this measure from the Department of Agriculture and one individual. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that Act 228, Session Laws of Hawaii 2016, established the industrial hemp pilot program to allow the cultivation of industrial hemp and distribution of its seed in Hawaii through limited activities by licensee-agents of the Board of Agriculture for purposes of agricultural or academic research. To ensure successful implementation, further amendments to state law need to be made.

Your Committees have amended this measure by:

- (1) Adding the contents of section 2 of S.B. No. 226, S.D. 1, Regular Session of 2016, which makes an appropriation for a program coordinator position and inspector position within the Department of Agriculture and program operations for the industrial hemp program;
- (2) Making the appropriation effective on July 1, 2017; 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 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. 773, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 773, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 192 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1259

The purpose and intent of this measure is to require the Department of Health to adopt rules for underground storage tank systems that conform with federal regulations and include additional requirements.

Your Committees received testimony in support of this measure from the City and County of Honolulu Board of Water Supply, Conservation Council for Hawai'i, Hawai'i Alliance for Progressive Action, Sierra Club of Hawai'i, Earthjustice, Ke One O Kākuhihewa Oahu Council of the Association of Hawaiian Civic Clubs, Young Progressives Demanding Action, and twenty-five individuals. Your Committees received testimony in opposition to this measure from the United States Navy and Department of Defense, Department of Health Solid and Hazardous Waste Branch, and Chamber of Commerce Hawaii.

Your Committees find that the leakage of fuel from underground storage tanks is a matter of statewide concern. Fuel that leaks from storage tanks can contaminate groundwater that is used for human consumption and cause significant damage to the environment. Issues surrounding leaking fuel storage tanks are numerous and need to be adequately addressed for the health and safety of Hawaii's people and environment. The United States Navy stated to your Committees that there may be equivalent technology or other alternatives to double-walling the storage tanks that would provide an equivalent standard of safety. Your Committees requested that the United States Navy follow up with your Committees with that information.

Your Committees have amended this measure to:

- (1) Require the Department of Health to adopt rules conforming Hawaii's underground storage tank and tank system rules with federal regulations by September 1, 2018; 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 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. 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 your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4; Ayes with Reservations (Nishihara). Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes 3; Ayes with Reservations (Nishihara). Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 193 Hawaiian Affairs on S.B. No. 960

The purpose and intent of this measure is to specify that certain content of Department of Hawaiian Home Lands homestead applicant and lessee files are not required to be disclosed or made open to public inspection.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Department of the Attorney General, Ka Lahui Hawaii Political Action Committee, Council for Native Hawaiian Advancement, Sovereign Councils of the Hawaiian Homeland Assembly, Kamuela Homesteaders Association, Waimanalo Hawaiian Homes Association, and numerous individuals. Your Committee received comments from the Civil Beat Law Center for the Public Interest. Your Committee received comments from the Office of Information Practices.

Your Committee finds that the relationship between the Department of Hawaiian Home Lands and its applicants and lessees is unique from relationships between other agencies and members of the public which they serve. The Department of Hawaiian Home Lands is required to maintain records of beneficiaries that are highly personal, involving their home and families.

Your Committee has amended this measure by:

- (1) On the recommendation of the Attorney General, clarifying that certain government records maintained by the Department of Hawaiian Home Lands homestead applicant and lessee files are not required to be publicly disclosed or made open to inspection pursuant to a public records request; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 194 Hawaiian Affairs on S.B. No. 849

The purpose and intent of this measure is to reduce the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one quarter to one thirty-second.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Advocacy and Empowerment Committee of the Office of Hawaiian Affairs, Ka Lāhui Hawaii Political Action Committee, Sovereign Councils of the Hawaiian Homeland Assembly, Association of Hawaiian Civic Clubs, Council for Native Hawaiian Advancement, Kailapa Community Association, State Council of Hawaiian Homestead Associations, Association of Hawaiian Civic Clubs' Benefits and Trusts Committee, and numerous individuals.

Your Committee finds that many descendants of lessees of Hawaiian home lands do not qualify as successors because interracial marriages and blended families produce descendants who are less than twenty-five percent Hawaiian. These disruptions create undue hardships of displacement and interfere with families' abilities to maintain the equity of their homes and businesses.

Your Committee wishes to make clear that this measure allows the transfer of leases prior to the leaseholder's death. In doing so, this measure encourages current lessees to maintain and invest in their residences, as the lessees anticipate that their descendants will be able to make use of the properties for many generations to come. The State has a fiduciary duty to support the rehabilitation of the Hawaiian people, in part by ensuring long-term tenancies to beneficiaries, transferees, and successors of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended.

Your Committee is concerned about the potential for abuse of current wait list procedures in that lessees who transfer their leases may circumvent the wait list procedures by getting placed back onto the list after the lease is transferred or by purchasing another lease. Your Committee finds that this is a loop hole that was not intended.

Your Committee has amended this measure by adding language to clarify that any beneficiary who transfers by sale or gift any lease shall not be placed on the wait list again and shall be prohibited from purchasing another lease.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 849, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 849, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 195 Transportation and Energy on S.B. No. 363

The purpose and intent of this measure is to increase the fines imposed for violations of use of mobile electronic devices while operating a motor vehicle.

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 the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that use of a mobile electronic device while driving is a threat to the health and safety of the device operator and that of others on the roadway. Your Committee finds that despite the imposition of fines for violations, drivers continue to use mobile electronic devices while driving. This measure increases fines in an effort to further deter this activity.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 363 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 196 Transportation and Energy on S.B. No. 364

The purpose and intent of this measure is to increase the fine imposed for failure to use a seat belt while traveling in a motor vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation 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 seatbelt use is the single most effective way to reduce injuries and save lives in motor vehicle crashes. This measure increases fines in order to deter violations of the seat belt law and promote safety in an effort to reduce injuries and save lives.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 364 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 197 Transportation and Energy on S.B. No. 659

The purpose and intent of this measure is to increase the fine for violations of operating a vehicle while under the influence of an intoxicant.

Your Committee received testimony in support of this measure from the Department of Transportation, Mothers Against Drunk Driving Hawaii, and two 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 alcohol-impaired driving is a significant problem in Hawaii. During calendar year 2015, of the ninety-three total fatalities that occurred on Hawaii's roads, thirty-three were alcohol-impaired fatalities. Your Committee further finds that in the same year, police in the State arrested over six thousand drivers for operating a vehicle while intoxicated. This measure will further disincentivize intoxicant-impaired driving by significantly increasing the penalty for that offense.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 659 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 198 Transportation and Energy on S.B. No. 663

The purpose and intent of this measure is to increase the fines from \$250 to \$750 for speeding violations occurring in a school zone or construction area.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawai'i Construction Alliance, 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 excessive speeding continues to be a significant factor in serious traffic accidents and fatalities in the State. Preliminary data for 2016 indicates that speeding was a contributing factor in forty-four percent of motor vehicle fatalities. Your Committee further finds that 2,660 citations were issued statewide from 2012 to 2016 for speeding in school zones and construction areas. Increasing fines for speeding in a school zone or construction area may deter drivers who speed from driving in such a manner, making the roads safety for other drivers, passengers, and pedestrians.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 199 Transportation and Energy on S.B. No. 664

The purpose and intent of this measure is to increase fines for persons who commit the offense of driving a motor vehicle at an excessive speed.

Your Committee received testimony in support of this measure from the Department of Transportation and two 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 excessive speeding continues to be a significant factor in serious traffic accidents and fatalities. Between 2011 and 2015, there were two hundred twenty-two fatal crashes that resulted in two hundred thirty-six deaths due to speeding. Increasing fines for drivers who speed may deter them from driving in such a manner, making the roads and highways safer for other drivers, passengers, and pedestrians.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 200 (Joint) Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy on S.B. No. 273

The purpose and intent of this measure is to permit the County of Hawai'i to appropriate the county's share of fuel tax revenue for the maintenance of substandard private subdivision roads that are used by the public, provided that neither the State nor the county shall be required to install infrastructure improvements if the roads are thereafter sold to a private entity.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that the proper maintenance of roadways used by the public is essential for maintaining public safety. Specifically, Hawai'i County has many substandard, private subdivision roads that are regularly traversed by members of the public. It is therefore justifiable and necessary to allow Hawai'i County to use its share of fuel tax revenue to perform maintenance on these privately-owned but publicly-used roads to repair the existing substandard conditions. However, it should not be the county's responsibility to further maintain these roads if a private entity subsequently acquires the subdivisions and the roads therein.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 273 and recommend that it pass Second Reading and be referred to your 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 (Ihara, Thielen).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 201 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 407

The purpose and intent of this measure is to provide the counties with greater financial authority by allowing them to make short term investments with similar authority as the state Director of Finance.

Your Committee received testimony in support of this measure from the Maui County Department of Finance and two individuals.

Your Committee finds that ensuring the financial strength of the counties is important for public welfare. One means of supporting the financial strength of the counties is to allow the counties to make certain short term investments. While the counties currently have authority to make some investments, it is important and sensible to expand the authority of the counties so that it more closely mirrors the authority provided to the State Director of Finance. However, to better protect the public, there should also be in place safeguards to ensure quality investments. Accordingly, this measure:

- (1) Allows the director of finance of each county to make short term investments in additional types of bonds and notes, thereby providing the county directors of finance with similar investment authority as the state Director of Finance;
- (2) Requires that for investments in bonds of any improvement district, the investments be of investment grade or supported by the general obligation pledge of the county in which the improvement district is located; and
- (3) Prohibits investment or the entering into any agreement which would or may require the county to make future payments, such as swap agreements, hedge agreements, or other similar agreements.

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. 407 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 202 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 562

The purpose and intent of this measure is to make permanent the limited liability protection established under Act 170, Session Laws of Hawaii 2002, for county lifeguards and counties providing lifeguard services on beaches or in the ocean.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Land and Natural Resources; Mayor of the County of Kaua'i; Kaua'i Fire Department; Ocean Safety Bureau of the Kaua'i Fire Department; Hawaii State Association of Counties; Hawaiian Lifeguard Association; Maui Hotel & Lodging Association; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that providing lifeguard services at beaches and in the ocean, including in state beach parks, is vital to the health, safety, and welfare of the public. In the past, the threat of potential tort liability meant that some counties would not provide lifeguard services at some beaches. In 2002, the Legislature addressed this problem by providing limited tort liability for county

lifeguards and counties providing lifeguard services on beaches or in the ocean, except in cases of gross negligence or wanton acts or omissions. This measure makes those liability protections for counties and county lifeguards permanent.

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. 562 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 203 (Joint) Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy on S.B. No. 602

The purpose and intent of this measure is to repeal the requirement that a disabled veteran be in receipt of disability retirement pay in order to be exempt from the payment of annual vehicle registration fees.

Your Committees received testimony in support of this measure from the Office of Veterans Services and two individuals.

Your Committees find that the State must properly appreciate and honor its disabled veterans. State law currently provides disabled veterans with an exemption from registration fees for certain vehicles, provided that the disabled veteran meets certain conditions. Removing the unnecessary condition that the disabled veteran be in receipt of disability retirement pay to qualify for the registration fee exemption would allow more disabled veterans to benefit from this exemption.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 602 and recommend that it pass Second Reading and be referred to your 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 (Ihara, Thielen).
Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 204 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 613

The purpose and intent of this measure is to appropriate funds for an agricultural management position and equipment for agricultural operations at Kulani correctional facility.

Your Committees received testimony in support of this measure from the Community Alliance on Prisons, Ka Ohana O Na Pua, Young Progressives Demanding Action, and two individuals.

Your Committees find that agricultural programs at correctional facilities provide numerous benefits for the correctional system and inmates. A rise in the prison population has led to an important need for correctional facilities and agencies to cut costs. One means of reducing correctional costs is to produce food in-house through agricultural programs. Further, these types of agricultural programs provide the additional benefit of furthering inmate rehabilitation by teaching inmates a variety of technical skills and trades. Accordingly, this measure appropriates funds for a full-time agricultural management position and equipment for Kulani correctional facility agricultural operations.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 613 and recommend that it pass Second Reading and be referred to your 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 (Baker, Ihara).
Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 205 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 689

The purpose and intent of this measure is to grant county agencies the implicit right, upon reasonable notice, to enter property to investigate agricultural buildings and structures for violations of and compliance with building permit and building code exemption qualifications.

Your Committees received testimony in support of this measure from the Department of Agriculture, Hawaii Aquaculture and Aquaponics Association, Hawaii Cattleman's Council, Ponoholo Ranch Limited, Hawaii Farm Bureau, and two individuals.

Your Committees find that enforcing building code requirements is important for the safety and health of those occupying, using, or near those buildings. To enforce building codes and permit requirements, the counties need sufficient authority and latitude to exercise their enforcement powers. The need for greater powers of enforcement is particularly important in the case of agricultural buildings. The point of allowing exemptions for certain agricultural buildings is to encourage and support those entities actually engaged in agricultural activities, and those not engaging in agricultural activities should not be allowed to improperly take advantage of these exemptions. Therefore, the counties need to be able to, upon reasonable notice to the owner or occupier, exercise their implicit right to investigate agricultural buildings that are exempt from the building permit and building code requirements.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 689 and recommend that it pass Second Reading and be referred to your 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 (Baker, Ihara).
Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 206 (Joint) Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy on S.B. No. 420

The purpose and intent of this measure is to make it a criminal offense to intentionally or knowingly direct the beam from a laser device at an occupied aircraft.

Your Committees received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and one individual.

Your Committees find that aircraft safety is vitally important to the health, safety, and welfare of the public. There have been in recent years a growing number of incidents in which individuals have targeted aircraft with laser lights during flight or while landing. The State's existing penal code does not adequately address situations in which an individual aims a laser light at an occupied aircraft and is particularly deficient in situations where the individual with the laser light causes injuries to those on board. This measure establishes criminal offenses for directing a laser light at an occupied aircraft in the form of:

- (1) A misdemeanor for intentionally or knowingly directing a beam of light from a laser or laser scope at an occupied aircraft; and
- (2) A class C felony if the act of directing a beam of light from a laser or laser scope at an occupied aircraft causes injury to the pilot, crew, or passengers on board.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 420 and recommend that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).
Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 207 Human Services on S.B. No. 964

The purpose and intent of this measure is to:

- (1) Establish that emergency shelters may provide partitioned space for homeless persons or families based upon guidelines determined by the Department of Human Services; and
- (2) Extend the effective date of Act 234, Session Laws of Hawaii 2016, by one year to provide additional time for the Department of Human Services to implement the Act.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness, Department of Human Services, Democratic Party of Hawai'i, and two individuals.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. In an attempt to make the homeless shelter system more cost effective and more appealing to families and individuals, the Legislature enacted Act 234, Session Laws of Hawaii 2016, to establish minimum requirements for every homeless emergency shelter operated by a provider agency that is under contract with the Department of Human Services. However, there is wide variation in the configuration of homeless emergency shelters across the State. Because homeless emergency shelters need sufficient flexibility to address the diverse needs of homeless individuals and families across the State, it is critical that the Department of Human Services allows enough time for homeless emergency shelters to bring shelter space into compliance with the Department's requirements.

Your Committee has amended this measure by:

- (1) Inserting an effective date of June 30, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 964, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 208 Human Services on S.B. No. 1217

The purpose and intent of this measure is to increase the monthly personal needs allowance paid for individuals living in certain care facilities from \$50 to \$75.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Self-Advocacy Advisory Council, and ten individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that the State provides a personal needs allowance for individuals residing in foster homes, care homes, domiciliary homes, and other long-term care facilities. The personal needs allowance allows recipients to purchase clothing, toiletries, and meals and cover other day-to-day living expenses. Your Committee further finds that the personal needs allowance was last increased in 2007 and has not kept up with the State's high cost of living.

Your Committee has amended this measure by inserting a blank amount that is specified per month for the needs allowance.

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. 1217, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1217, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 209 Human Services on S.B. No. 1220

The purpose and intent of this measure is to establish the Youth Advisory Commission to advise the Governor and Legislature on the effects of legislative policies, needs, assessments, priorities, programs, and budgets concerning the youth of the State.

Your Committee received testimony in support of this measure from the Office of Youth Services; Hawaii Youth Services Network; Democratic Party of Hawai'i; Hawaii State Coalition Against Domestic Violence; EPIC 'Ohana, Inc.; Honolulu Chinese Jaycees; and seven individuals.

Your Committee finds that increasing youth participation in the public policymaking process is in the best interest of the State, as Hawaii has the lowest voter participation rate in the United States. Although young people aged sixteen and seventeen may work and pay taxes, they are denied a formal role in the political process because they are prohibited from voting. Establishing a Youth Advisory Commission could enable greater interest in policymaking for youth and provide valuable input on issues affecting young people.

Your Committee notes that the intent of the establishment and purpose of the Youth Advisory Commission is to also coincide with the mission of the Office of Youth Services in supporting at-risk youth and their families.

Your Committee has amended this measure by:

- (1) Inserting a preamble that discusses the importance of youth participation in public policymaking;
- (2) Specifying that one member appointed by the Governor to the Youth Advisory Commission must be a previous recipient of youth services;
- (3) Expanding the list of criteria to be considered by the President of the Senate and Speaker of the House of Representatives when making appointments to the Youth Advisory Commission;
- (4) Allowing the Youth Advisory Commission members to invite other individuals to participate in commission activities as temporary, nonvoting members;
- (5) Inserting language that appropriates an unspecified amount for the hiring of one staff position to administer the Youth Advisory Commission;
- (6) Changing the effective date to July 1, 2017; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1220, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1220, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 210 (Joint) Human Services and Housing and Transportation and Energy on S.B. No. 271

The purpose and intent of this measure is to appropriate funds to the Departments of Human Services, Health, and Transportation to assist with homelessness and housing issues.

Your Committees received testimony in support of this measure from The Queen's Health Systems; Hawaii Youth Services Network; Land Use Research Foundation of Hawaii; Community Alliance on Prisons; Ho'omana Pono, LLC; Hawaii Substance Abuse Coalition; Catholic Charities Hawai'i; IMUAlliance; and five individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness, Department of Human Services, Department of Transportation, and Department of Health.

Your Committees find that homelessness continues to be one of the State's most significant and challenging social problems. Homeless persons face a myriad of issues, including general health issues, mental illness, and substance abuse. These issues affecting homeless persons also impact the general population through the costs of social and health care services. Because homelessness is a complex issue, continuous resources and coordinated efforts at all levels are critical to ensuring that the most vulnerable individuals are receiving the support services they need.

Your Committees further note the Department of Transportation's request to use the funds appropriated to the Department to assist with homelessness-related issues at all of the properties under the Department's jurisdiction.

As affirmed by the records of votes of the members of your Committees on Human Services, Housing, and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 271 and recommend that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).
Housing: Ayes, 3. Noes, none. Excused, 2 (Kahale, Nishihara).
Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 211 (Joint) Human Services and Housing on S.B. No. 1215

The purpose and intent of this measure is to appropriate funds to support various programs that can assist homeless individuals, including housing first programs for chronically homeless individuals in the State, the rapid re-housing program, and the state rent supplemental program.

Your Committees received testimony in support of this measure from the Hawaii Kai Homeless Task Force, Catholic Charities Hawai'i, Partners in Care, Hawai'i Pacific Health, League of Women Voters of Hawaii, IMUAlliance, PHOCUSED, and two individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness, Department of Human Services, Hawaii Public Housing Authority, and one individual.

Your Committees find that Hawaii has the highest per capita rate of homelessness of any state in the nation. Addressing homelessness requires a multi-faceted approach using interventions that are targeted to the particular characteristics of the population being served. Three programs critically necessary to address homelessness in Hawaii are housing first, rapid re-housing, and the state rent supplement for homeless families and individuals. Each of these programs targets specific populations struggling with stable housing and assists individuals and families with housing and other support services.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1215 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kaehele, Nishihara).

SCRep. 212 (Joint) Human Services and Housing on S.B. No. 1222

The purpose and intent of this measure is to:

- (1) Authorize the issuance of general obligation bonds for the purposes of the rental housing revolving fund established pursuant to section 201H-202, Hawaii Revised Statutes; and
- (2) Appropriate funds to the Department of Human Services to support homelessness mitigation and prevention efforts in the State.

Your Committees received testimony in support of this measure from the Democratic Party of Hawai'i, IMUAlliance, and one individual. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Hawaii Housing Finance and Development Corporation.

Your Committees find that there is a serious need to develop affordable rental housing in Hawaii to meet the needs of individuals and families who are homeless or at risk of becoming homeless. Addressing these needs will be a challenge because of the sheer number of units needed to meet demand and the various barriers that can prevent development and preservation of affordable housing. Additional funding is necessary to ensure that the State has adequate resources to address homelessness and affordable rental housing options.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1222 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kaehele, Nishihara).

SCRep. 213 Commerce, Consumer Protection, and Health on S.B. No. 997

The purpose and intent of this measure is to update the Uniform Controlled Substances Act to make it consistent with amendments in federal controlled substances law as required under section 329-11, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Public Safety and two individuals.

Your Committee finds that this measure is necessary to make Hawaii's Uniform Controlled Substance Act, chapter 329, Hawaii Revised Statutes, consistent with changes to federal law and 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 214 Commerce, Consumer Protection, and Health on S.B. No. 538

The purpose and intent of this measure is to appropriate funds to the Department of Health for the posting of care facility inspection reports on the Department's website.

Your Committee received testimony in support of this measure from three individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that the Department of Health is responsible for licensing, certifying, and monitoring several types of care facilities. Although these inspections are performed using state monies to ensure a standard of quality of these facilities, the information in the inspection reports is difficult for the public to access. Act 213, Session Laws of Hawaii 2013, was enacted to require, among other things, the Department of Health to make available to the public, free of charge, information collected from the Department's inspections of certain care facilities occurring on and after January 1, 2015. However, because of a lack of resources and staff, posting of the inspection reports for all of the specified care facilities by the Department of Health has not been consistent, leaving the public frustrated. Providing additional resources to the Department of Health to continue to make available its care facility inspection reports will benefit the public by granting greater access to information on the conditions of care facilities in the State.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 538 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 215 Commerce, Consumer Protection, and Health on S.B. No. 1156

The purpose and intent of this measure is to remove the sunset date of Act 39, Session Laws of Hawaii 2015, thereby making permanent the requirements for a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State to provide open movie captioning during at least two showings per week of each motion picture that is produced and offered with open movie captioning and audio descriptions upon request for all motion pictures for which such accommodations are available and provide public notice if such accommodations are not available for certain movies.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission, State Council on Developmental Disabilities, Disability and Communication Access Board, Aloha State Association of the Deaf, and over two hundred individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Act 39, Session Laws of Hawaii 2015 (Act 39), requires a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State to provide open movie captioning and audio descriptions upon request. Act 39 was intended to improve accessibility and address the discriminatory effects of communication barriers at movie theaters encountered by individuals who are deaf, hard of hearing, deaf blind, or blind or have low vision. According to testimony received by your Committee, open movie captioning has enabled deaf, hard of hearing, and deaf blind consumers to enjoy movies in a similar manner as those who do not require open movie captioning.

Your Committee further finds that Act 39 is scheduled to be repealed on January 1, 2018. This measure removes the sunset date of Act 39, thus making permanent the motion picture accommodation requirements for Hawaii movie theaters. Your Committee notes that the accessibility requirements in Act 39 go beyond those specified in the recently-adopted United States Department of Justice final rules for movie theaters, which only provide for closed captioning. Removing the sunset date of Act 39 therefore ensures that Hawaii continues to support full access for persons with disabilities and meaningful accessibility requirements for movie theaters, even after the federal rules have gone into effect.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 216 Commerce, Consumer Protection, and Health on S.B. No. 1227

The purpose and intent of this measure is to make permanent the affirmation requirement and form that is filed by an attorney on behalf of a mortgagee who is seeking to foreclose on a residential property under a judicial foreclosure action.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that, during the height of the foreclosure crisis, numerous distressed homeowners reported to government authorities, including the Office of Consumer Protection and the Hawaii Department of the Attorney General, that their financial institutions were initiating foreclosure actions without a sufficient basis. Among the more egregious claims were reports that financial institutions were engaging in robo-signing, in which banks supported foreclosure actions through the use of false affidavits signed by bank employees. In response, the Legislature enacted Act 182, Session Laws of Hawaii 2012, which, among other things, requires a foreclosing party's attorney to affirm that the attorney has personally reviewed the documents and records associated with a foreclosure action, confirm the factual accuracy of the complaint allegations, and state that the attorney does not believe there are any false statements of fact or law and that the plaintiff has legal standing to bring the foreclosure action.

Your Committee further finds that although the frequency of robo-signing appears to have recently diminished, statutory safeguards such as the attorney affirmation will help deter such conduct from reoccurring in Hawaii. Accordingly, this measure makes permanent the attorney affirmation requirement and form that must be filed by an attorney on behalf of a mortgagee who is seeking to foreclose on a residential property in a judicial foreclosure action.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1227 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 217 Commerce, Consumer Protection, and Health on S.B. No. 453

The purpose and intent of this measure is to appropriate funds for one ambulance unit each for the County of Kauai and the County of Hawaii, including equipment, supplies, and personnel costs.

Your Committee received testimony in support of this measure from the Office of the Mayor, Kauai County; Hawaii Fire Department, County of Hawai'i; Hawai'i State Association of Counties; Maui County Council; American Medical Response; Kauai Paramedics Association; Kaua'i County Council; Hawaii Fire Fighters Association; Hawai'i Pacific Health; and fifteen individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that inadequate resources for emergency medical services can severely impact people's health, and can even be a matter of life and death. Your Committee further finds that the critical nature of emergency medical service is especially strong in many of the rural areas of the Island of Kauai and the Island of Hawaii.

Your Committee further finds that despite significant population increases over the past fifteen years, the last time Kauai County received an additional ambulance was in 1992 and Hawaii County has not received an additional ambulance since 2005. The Department of Health Emergency Medical Services and Injury Prevention Branch meets regularly with all Hawaii emergency service providers to review the State's 911 response capabilities and system challenges. This group has identified Puna and the surrounding areas of Hawaii County as well as Kauai County as the highest areas of need for additional ambulance units to meet the areas' growing health and safety needs.

Your Committee notes that although the appropriation in this measure is blank, the Department of Health submitted testimony indicating that the requisite funds needed are \$1,500,000 per year for an ambulance unit for the County of Kauai and \$1,500,000 per year for an ambulance unit for the County of Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 218 Commerce, Consumer Protection, and Health on S.B. No. 535

The purpose and intent of this measure is to require health insurers to provide coverage after December 31, 2018, for the cost of hearing aids at a minimum of \$1,500 per hearing aid for each hearing-impaired ear every thirty-six months.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board, The Georgia E. Morikawa Center, and eight individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Employer-Union Health Benefits Trust Fund, Hawaii Medical Service Association, and Kaiser Permanente Hawaii.

Your Committee finds that untreated hearing loss can have a devastating impact on the social, professional, and family interactions of an individual with hearing loss. Your Committee further finds that hearing aids can have a profoundly positive effect on quality of life, but the high cost of hearing aids can be a barrier for many individuals with hearing loss. This measure mandates health insurance coverage for hearing aids for people with all types of hearing loss and specifies a minimum amount of coverage and eligibility for replacement of hearing aids after thirty-six months under the coverage. Your Committee notes that the \$1,500 benefit provided by this measure is a minimum, floor requirement. Health insurance plans are free to offer coverage that is greater or more favorable to a covered individual.

Your Committee has amended this measure by:

- (1) Clarifying that the coverage required excludes limited benefit health insurance policies as provided in section 431:10A-102.5, Hawaii Revised Statutes;
- (2) Clarifying that the required minimum benefit is \$1,500 for a reasonably medically necessary hearing aid per hearing-impaired ear every thirty-six months;
- (3) Specifying that a covered individual who has not used the minimum benefit before the end of the thirty-six-month period is eligible to put any remaining portion of the benefit toward the cost of a replacement hearing aid;
- (4) Clarifying the notification required to be provided to policyholders or members; 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, Consumer Protection, and Health 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 219 Commerce, Consumer Protection, and Health on S.B. No. 277

The purpose and intent of this measure is to appropriate funds for the public-private partnership established for administrative purposes to implement a model of healthcare delivery in Maui county that addresses coordination of care in a seamless, efficient, appropriate, and cost-effective manner.

Your Committee received testimony in support of this measure from Hale Makua Health Services, Hale Mahaolu, Maui Memorial Medical Center, Wailea Golf LLC, International Longshore and Warehouse Union Local 142 Hawaii, United Public Workers Local 646, and sixty-five individuals. Your Committee received comments on this measure from the Hawaii Government Employees Association.

Your Committee finds that healthcare delivery in Maui county faces challenges related to census issues, wait-list lengths, and finances. More specifically, Maui Memorial Medical Center is the only acute care hospital on the island and often exceeds its capacity resulting in back-ups in the emergency room due to lack of beds or inability to transport patients to Honolulu. In addition, subacute patients often stay in the hospital longer than necessary, which results in emergency room patients being held in the emergency room and surgical procedures being cancelled to eliminate the need for beds. These wait list issues result in delayed care of patients for the entire island of Maui.

Your Committee further finds that a study conducted by Maui Memorial and Hale Makua showed that thirty-six percent of the wait list is related to financial issues. This population includes the uninsured, homeless, and individuals who are Medicaid ineligible. Your Committee notes that the cost to the State of the existing wait list is significant. It costs \$1,500 per day for healthcare delivery to a wait listed patient, while the cost of a patient at Hale Makua is about \$300 to \$500 per day. Your Committee finds that this measure provides a cost-effective investment in the healthcare system on the Island of Maui. Providing funds will strengthen the existing partnership between Hale Makua Health Services and Maui Memorial Medical Center.

Your Committee has amended this measure by:

- (1) Inserting a blank appropriation amount; and
- (2) Making the appropriation for the purposes of soliciting proposals to reduce the wait list at Maui Memorial Medical Center, improve the quality of care, and reduce state subsidies to Maui Memorial Medical Center related to wait list issues.

Your Committee notes that although the appropriation has been removed, the recommended appropriation for the public-private partnership is \$1,500,000 per fiscal year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 277, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 220 Commerce, Consumer Protection, and Health on S.B. No. 893

The purpose and intent of this measure is to:

- (1) Restore procedures that allow nonprofit corporations to convert into and out of domestic nonprofit corporations;
- (2) Impose a duty of loyalty on directors and officers of nonprofit corporations;
- (3) Prohibit a director from voting on any matter in which the director has a conflict; and
- (4) Increase the length of time that the Attorney General has to review proposed dissolutions of public benefit corporations.

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 received comments on this measure from the Aloha Society of Association Executives.

Your Committee finds that Act 37, Session Laws of Hawaii 2012 (Act 37), repealed a provision in the Hawaii Revised Statutes that allowed a domestic nonprofit corporation to convert to a foreign corporation or any other business entity. In hindsight, Act 37 went too far, as it effectively prevented domestic nonprofit corporations from converting to foreign nonprofit corporations. This measure restores the provision that allows nonprofit corporations to convert into and out of domestic nonprofit corporations, establishes the procedure for conversion, and specifies the effects of a conversion.

Your Committee further finds that although directors of nonprofit corporations have a duty of loyalty at common law, existing statute does not expressly recognize such a duty of loyalty. This measure establishes a duty of loyalty for directors and officers of nonprofit corporations. This measure also requires the recusal from voting of any director that has a direct or indirect conflict of interest.

Your Committee has heard the concerns raised in testimony regarding the recusal from voting on any matter in which a director has a conflict. According to testimony received by your Committee, there may be situations where either the vote of a director is needed or the conflict of interest is so minor that a disclosure, rather than a prohibition, is needed. Your Committee requested the assistance of the Department of the Attorney General (Department) to clarify the conflict of interest concerns raised in testimony and, if needed, suggest language that would address these concerns.

Upon further consideration, the Department informed your Committee that the concerns regarding conflict of interest are already addressed in the existing statute, so additional language addressing these concerns is therefore unnecessary. The Department noted to your Committee that the disclosure and voting process for directors, as contained in this measure, is not compulsory, but rather a "safe harbor" procedure for a board to approve a transaction. As corporate matters may be approved by the votes of non-conflicted directors, a conflicted director's vote is not necessary, nor does it count, when the safe harbor procedure is followed. The Department also noted that existing statute makes it clear that when a majority of directors who have no interest in a transaction vote to approve that transaction, there is a quorum present. Quorum is not defeated by using the safe harbor procedure, and as such, a conflicted director's vote or presence is not needed to meet quorum requirements.

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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 893, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 221 Commerce, Consumer Protection, and Health on S.B. No. 620

The purpose and intent of this measure is to amend the definition of “business” in the State’s general excise tax law.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii. Your Committee received comments on this measure from the Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that this measure amends the definition of “business” in the general excise tax to clarify that doing business, for purposes of the general excise tax, does not require a physical presence as long as the taxpayer has \$100,000 or more of gross receipts attributable to Hawaii. This measure also adds two exemptions to the definition of “business”.

Your Committee notes the concerns raised in testimony from the Departments of the Attorney General and Taxation, that this measure may be subject to a Commerce Clause challenge under the United States Constitution. A taxpayer challenging the amended statute, as proposed by this measure, would likely attempt to apply the Quill Corp v. North Dakota case, 504 U.S. 298 (1992). In Quill, the United States Supreme Court held that a seller must have a physical presence in the state to be subject to that state’s sales and use tax collection requirements. This physical presence requirement is rooted in the Commerce Clause and will not be affected by the amendment to the State’s general excise tax law as proposed by this measure. The Department of the Attorney General indicated in testimony that many of the authoritative causes, including Quill, interpret the substantial nexus requirement to involve a state sales and use tax, not a general excise tax. However, the Department also indicated that it is unknown whether Quill would be applied to a general excise tax.

The Department of Taxation indicated in testimony that this measure, as written, contains unclear exceptions to the no physical presence rule, as these exceptions seem to exempt from taxation taxpayers with more connection to the State rather than less connection. The exemptions could also be interpreted to exempt even those sellers that have a physical presence in the State. The Department of Taxation suggested language that would more clearly address the state law issue of whether a seller without physical presence in Hawaii is engaged in business and therefore subject to general excise tax. The Department noted that a bright line test of \$100,000 or more of Hawaii sales will also clarify the State’s position. Your Committee concludes that amendments to this measure, which incorporate the Department of Taxation’s suggested language, are necessary.

Your Committee has amended this measure by:

- (1) Clarifying that physical presence is not required for the State to impose general excise tax on taxpayers with gross receipts attributable to the State of \$100,000 or more;
- (2) Deleting language that would have exempted taxpayers who have a website hosted on a local and nonaffiliated server or who are using a nonaffiliated call center to process orders for primarily out-of-state customers; and
- (3) Inserting an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 620, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 620, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 222 Commerce, Consumer Protection, and Health on S.B. No. 971

The purpose and intent of this measure is to:

- (1) Repeal the emergency medical services special fund;
- (2) Redirect the special fund’s revenue sources, which include the cigarette tax, motor vehicle registration fee, and investment pool returns, to the general fund; and
- (3) Appropriate an equivalent dollar-for-dollar amount to the Department of Health for purposes of overseeing the statewide comprehensive emergency medical services system.

Your Committee received testimony in support of this measure from the Department of Health, Kauai Paramedics Association, Hana Health, and six individuals. Your Committee received testimony in opposition to this measure from the Honolulu Emergency Services Department, Emergency Medical Services Division. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that it is essential that emergency medical services are provided with sufficient resources to ensure the safety and health of residents in this State. Presently, the emergency medical services special fund provides funding for emergency medical services through revenue from the cigarette tax, motor vehicle registration fee, and investment pool returns. However, by repealing the emergency medical services special fund and designating general funds to the emergency medical services system, this measure provides a more stable source of revenue or method of finance to assure uninterrupted services and continuity of the State's emergency medical services 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 971, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 223 Commerce, Consumer Protection, and Health on S.B. No. 398

The purpose and intent of this measure is to promote and encourage colorectal cancer screening through a public awareness campaign by launching a colorectal cancer screening and awareness pilot program.

Your Committee received testimony in support of this measure from the University of Hawaii Cancer Center, American Cancer Society Cancer Action Network, The Queen's Health Systems, Hawaii Medical Service Association, Hawai'i Pacific Health, and twenty-two individuals. Your Committee received comments on this measure from the Department of Health and Department of the Attorney General.

Your Committee finds that increased colorectal cancer screening can save many lives in Hawaii. Nationwide, states and organizations are committing to the "80% by 2018" initiative, which is an effort to eliminate colorectal cancer as a major public health problem by getting eighty percent of adults aged fifty and older screened for colorectal cancer by 2018. Hawaii's current screening rate for colorectal cancer is sixty-four percent. Your Committee finds that colorectal cancer is the second leading cause of cancer death in Hawaii, and has clear ethnic and gender disparities. Colorectal screening rates are also much lower for individuals residing in low-income households and those with less than a high school education.

Your Committee finds that colorectal cancer is a cause of considerable suffering among more than one hundred forty thousand adults in the country diagnosed with this cancer each year. Your Committee emphasizes that a priority of the Hawaii State Cancer Plan is to increase colorectal screening rates and reduce morbidity and mortality of colorectal cancer through screening and early detection. Your Committee finds that there is work to be done to increase colorectal cancer screening rates in an effort to improve the quality of life for hundreds of people in the State by detecting and preventing death from late stage colorectal cancer and lessening the physical, emotional, and financial burden that often accompany a cancer diagnosis.

Your Committee has amended this measure by:

- (1) Removing language requiring the Department of Health to award grants to health care providers to provide colorectal cancer screening under the pilot program and inserting language requiring the Department to:
 - (A) Collaborate with healthcare providers to integrate colorectal cancer screenings into their standard practice; and
 - (B) Partner with healthcare providers to screen eligible participants in accordance with the guidelines of the United States Preventative Services Task Force;
- (2) Removing language specifying the tests and procedures that eligible participants of the pilot program may be offered and paid for, depending on their risk for colorectal cancer;
- (3) Inserting a blank appropriation amount for the pilot program; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that although the appropriation has been removed from this measure, the recommended appropriation for the colorectal cancer screening and awareness pilot program is \$250,000 per fiscal year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 398, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 398, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chang, Kidani).

SCRep. 224 Commerce, Consumer Protection, and Health on S.B. No. 174

The purpose and intent of this measure is to amend the definition of "debilitating medical condition" to include lupus, epilepsy, multiple sclerosis, arthritis, autism, anxiety, depression, insomnia, and stress as conditions that qualify for the legal use of medical marijuana.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawai'i, Hawaii Veteran's Cannabis Alliance, Hawaii Educational Association for Licensed Therapeutic Healthcare, Hawai'i Dispensary Alliance, Pakalōlō Suite, Patients Without Time, and twelve individuals. Your Committee received testimony in opposition to this measure from the Department of the

Attorney General, Department of Health, Department of the Prosecuting Attorney of the City and County of Honolulu, and two individuals.

Your Committee finds that Hawaii authorized the use of medical marijuana in 2000, and at the time was one of the first states nationwide to do so. Since 2000, the only condition that has been added to the list of debilitating medical conditions is post-traumatic stress disorder, which was added in 2015. Your Committee further finds that, without even considering the states that have legalized the recreational use of marijuana, the use of medical marijuana to treat certain health conditions is now legal in many states. The policy movement of states toward marijuana has afforded patients more options when deciding how to treat and manage their health conditions and illnesses. Your Committee finds, however, that the list of qualifying conditions in Hawaii remains limited compared to other states across the country.

Your Committee further finds that the Department of Health's administrative rules include a comprehensive annual process to consider the addition or deletion of qualifying conditions for the medical use of marijuana. Your Committee heard testimony from the Department about this process, and that the Department has already heard from registering physicians that several plan to petition for a variety of additional conditions. The Department's process involves a public hearing process and assessment of scientific research, common practice in other states, and a recommendation to the Director of Health about whether or not to add a condition to the State's list of qualifying conditions.

Your Committee notes that numerous states nationwide that authorize the use of medical marijuana allow the medical marijuana to be used for many more conditions than the ones currently included in Hawaii's definition of a debilitating medical condition. However, your Committee received testimony opposing this measure that indicated the addition of qualifying conditions could open the floodgates to make medical marijuana available to anyone diagnosed with common health conditions, and could lead to abuse by physicians who issue medical marijuana certifications.

Therefore, your Committee has amended this measure by deleting the conditions of anxiety, depression, insomnia, and stress as conditions that qualify for the legal use of medical marijuana.

In addition, your Committee appreciates the process to petition for the addition of qualifying conditions pursuant to the Department of Health's administrative rules, and that the Department plans to begin the first annual petition process in a few months. However, at this time, your Committee wants to encourage continuing discussion on this measure and preserve the means to add qualifying conditions through the legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 174, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 225 Commerce, Consumer Protection, and Health on S.B. No. 532

The purpose and intent of this measure is to appropriate funds for an Alzheimer's Disease and Related Dementia Services Coordinator position with the Department of Health's Executive Office on Aging.

Your Committee received testimony in support of this measure from the Executive Office on Aging; AARP Hawaii; Alzheimer's Association, Aloha Chapter; Manoa Cottage; Hawaii Pacific Neuroscience Institutes; International Longshore and Warehouse Union Local 142 Hawaii; and eight individuals.

Your Committee finds that Alzheimer's disease is the sixth leading cause of death in the United States and it affects twenty-seven thousand Hawaii residents. This number will continue to grow rapidly due to the rising number of seniors in the State. Alzheimer's disease also greatly affects the estimated sixty-five thousand unpaid caregivers in Hawaii that provide over seventy-four million hours of unpaid care each year. Your Committee further finds that despite the significant number of individuals affected by Alzheimer's disease, there remains a substantial lack of resources for families affected by the disease.

Your Committee notes that the Executive Office on Aging published a state plan on Alzheimer's disease and related dementias that identifies goals and key strategies to improve the lives of the significantly high number of families affected by the disease. Many of the strategies identified in the state plan require coordination at a systemic level. In addition, an Alzheimer's Disease and Related Dementias State Plan Collaborative consisting of over seventy government and private entities has been working to implement the state plan but has only made minimal progress due to the lack of a dedicated leader and dedicated resources. Your Committee finds that a statewide coordinator position is needed to lead the numerous private and government entities invested in helping families affected by Alzheimer's disease by implementing the State's Alzheimer's disease and related dementias plan.

Your Committee has amended this measure by inserting a blank appropriation amount. Your Committee notes that although the appropriation has been removed, the recommended appropriation for the Alzheimer's Disease and Related Dementia Services Coordinator position is \$80,000 per fiscal year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 226 (Joint) Housing and Commerce, Consumer Protection, and Health on S.B. No. 472

The purpose and intent of this measure is to establish a tax credit for owner/occupants of one- or two-family dwelling units who install an automatic fire sprinkler system.

Your Committees received testimony in support of this measure from the Hawaii State Fire Council, Kauai Fire Department, and one individual. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Building Industry Association of Hawaii.

Your Committees find that automatic fire sprinkler systems are effective at reducing loss of life, injury, and property damage caused by fire. Despite their effectiveness, few one- or two-family dwellings in Hawaii have automatic fire sprinkler systems. Your Committees further find that one reason for the lack of sprinkler systems in residential dwellings is cost. This measure will provide a tax credit to mitigate the cost involved in installing automatic fire sprinkler systems.

Your Committees additionally find that this measure is appropriate because the installation of automatic fire sprinkler systems in residential units is not mandatory at this time.

Your Committees have amended this measure by:

- (1) Inserting language clarifying that the tax credit may be claimed only for automatic fire sprinklers that are installed and placed in service in one- or two-family dwelling units;
- (2) Inserting language clarifying that only the owner/occupant of a dwelling unit may claim the tax credit;
- (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 Housing and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 472, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 472, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 227 Housing on S.B. No. 1266

The purpose and intent of this measure is to direct the Hawaii Housing Finance and Development Corporation to initiate negotiations to maintain the status of the units of the Front Street Apartments on the island of Maui as affordable housing, or to acquire the Front Street Apartments Property.

Your Committee received testimony in support of this measure from the West Maui Taxpayers Association, Office of the Mayor of the County of Maui, City Council of the County of Maui, and more than sixty-five individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the Front Street Apartments on the island of Maui provide affordable housing to more than two hundred fifty low-income residents. Your Committee further finds that there is a severe shortage of affordable housing on the island of Maui, and removing the Front Street Apartments from affordability requirements will cause severe hardship to the residents of the property. This measure will enable the State to preserve the Front Street Apartments as much-needed affordable housing.

Your Committee has amended this measure by:

- (1) Deleting the reference to retaining in perpetuity certain numbers of rental units at affordable rents to households of specified maximum incomes, as the Hawaii Housing Finance and Development Corporation testified that affordable housing projects cannot be financed with this condition imposed;
- (2) Correcting language to conform with existing requirements of the Hawaii Revised Statutes regarding legislative disapproval for condemnation of property; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1266, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1266, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 228 (Joint) Commerce, Consumer Protection, and Health and Agriculture and Environment on S.B. No. 1180

The purpose and intent of this measure is to:

- (1) Amend the cesspool upgrade, conversion, or connection income tax credit to: make the tax credit assignable; make the tax credit refundable; disallow the tax credit for taxpayers whose federal adjusted gross income exceeds certain amounts; expand the criteria for cesspools that qualify for the tax credit; and extend the sunset date to December 31, 2022;
- (2) Require all cesspools in the State be upgraded or converted to septic or aerobic treatment unit systems or connected to sewer systems by January 1, 2050;

- (3) Establish a grant program to assist with cesspool upgrade or conversion costs;
- (4) Appropriate funds for the grant program; and
- (5) Require the Department of Health to develop guidelines for the mandatory disclosure of cesspools on real property.

Your Committees received testimony in support of this measure from the Department of Health, Surfrider Foundation, and five individuals. Your Committees received testimony in opposition to this measure from the Hawai'i Association of REALTORS. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that cesspools are a major source of pollution to Hawaii's waters. According to testimony from the Department of Health, there are approximately 90,000 cesspools in the State, which discharge approximately 55,000,000 gallons of untreated sewage into the groundwater every day. Groundwater flows into drinking water sources, streams, and the ocean, harming public health and the environment, including beaches and coral reefs. Phasing out cesspools will eliminate threats to drinking water and recreational waters, although your Committees understand that there are significant costs associated with cesspool conversion. Among other things, this measure expands the cesspool upgrade, conversion, or connection income tax credit, including making the tax credit assignable, and establishes a grant program to help facilitate the phasing out of cesspools.

Your Committees have heard the concerns raised by the Department of Taxation in testimony, regarding the assignment of the cesspool upgrade, conversion, or connection income tax credit. According to the Department of Taxation, as there is no feasible way to monitor these assignments, there are concerns that permitting assignments of this income tax credit would increase the burden on the Department and greatly increase the likelihood of fraudulent and improper claims. Your Committees understand these concerns and conclude amendments to this measure are necessary.

Your Committees have amended this measure by:

- (1) Deleting language that would have made the cesspool upgrade, conversion, or connection income tax credit assignable;
- (2) Clarifying that the amendments to the cesspool upgrade, conversion, or connection income tax credit shall apply to taxable years beginning after December 31, 2017; 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, Consumer Protection, and Health and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1180, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1180, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (Ihara, Nishihara).

Agriculture and Environment: Ayes, 4; Ayes with Reservations (Ruderman). Noes, none. Excused, 1 (Nishihara).

SCRep. 229 (Joint) Agriculture and Environment and Transportation and Energy on S.B. No. 237

The purpose and intent of this measure is to require the Department of Agriculture to establish the advanced biofuels pilot project.

Your Committees received testimony in support of this measure from Hawaii Farmers Union United; Hawaii Oil Seed Producers (HOSPRO) FDN; The Maritime Group LLC; Hawai'i Gas; IMUAlliance; Clean Energy Solutions, LLC; Locals for Local Change; and twenty individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that reducing Hawaii's reliance on fossil fuels and generating one hundred percent of the State's energy from renewable resources will help Hawaii's economy by creating jobs, keeping an estimated \$3,000,000,000 in the State that would otherwise be spent on imported oil, and significantly advance the State's clean energy goals. Given the Governor's goal to double food production by 2020, your Committees have concerns about directing the Department of Agriculture to pursue large projects that may detract from that goal.

Therefore, your Committees have amended this measure by replacing the Department of Agriculture with the Department of Business, Economic Development, and Tourism as the entity responsible for establishing the advanced biofuels pilot project.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 237, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 237, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 230 (Joint) Agriculture and Environment and Commerce, Consumer Protection, and Health on S.B. No. 418

The purpose and intent of this measure is to:

- (1) Clarify the purposes for which monies from the electronic device recycling fund may be expended; and
- (2) Make an appropriation to reimburse the counties of Hawaii, Kauai, and Maui for expenses incurred during 2015 and 2016 related to the collection services associated with handling and collecting electronic devices for recycling.

Your Committees received testimony in support of this measure from Maui County Eycling and one individual. Your Committees received comments on this measure from the Department of Health and Consumer Technology Association.

Your Committees find that electronic device recycling prevents toxins, such as lead, from leaching into the environment and harming the environment and human health, saves space in landfills, and allows valuable resources contained in electronic devices, such as copper, gold, and aluminum, to be reclaimed for future use. Your Committees also find that existing law lacks clarity as to allowable uses of the electronic device recycling fund. This measure provides clarity and ensures that the electronic device recycling program may continue.

Your Committees have amended this measure by:

- (1) As recommended by the Department of Health, additionally allowing monies from the electronic device recycling fund to be expended by the Director of Health to support county electronics collections;
- (2) Making the appropriation a grant-in-aid directly to each respective county, rather than an appropriation to the Department of Health for reimbursement of expenses incurred during 2015 and 2016 by the counties; 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 Environment and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 418, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 418, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 231 (Joint) Agriculture and Environment and Transportation and Energy on S.B. No. 433

The purpose and intent of this measure is to allocate a portion of the environmental response, energy, and food security tax (barrel tax) to the Hawaii agricultural development revolving fund.

Your Committees received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Hawai'i Farm Bureau; Hawaii Farmers Union United; Hawaii Cattlemen's Council, Inc.; and three individuals. Your Committees received comments on this measure from the Department of Taxation, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committees find that the Agribusiness Development Corporation is tasked with the priority of transitioning Hawaii's agriculture industry from an industry dominated by sugar and pineapple to one based on a greater diversity of crops. Hawaii's environmental response, energy, and food security tax, also known as the barrel tax, provides a funding source for energy and food security initiatives; however only forty-three percent of the barrel tax is allocated to support environmental response, energy, and food security. Your Committees find that this measure aligns the allocation of portions of the barrel tax with the original intent of the \$1.00 per barrel increase in the barrel tax enacted by Act 73, Regular Session of 2010, to fund, among other things, the acquisition of agricultural land and to assist with food sustainability in the State.

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 Agriculture and Environment and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 433, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 433, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 232 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1109

The purpose and intent of this measure is to:

- (1) Beginning January 1, 2018, prohibit a food vendor in the State from serving or packaging prepared food in polystyrene foam containers, unless the food vendor qualifies for an exception;
- (2) Impose penalties for violations; and
- (3) Appropriate funds for public education and enforcement.

Your Committees received testimony in support of this measure from the Conservation Council for Hawai'i; Democratic Party of Hawaii; Environmental Caucus of the Democratic party of Hawaii; Surfrider Foundation; Surfrider Foundation, Oahu Chapter; Beach Environmental Awareness Campaign Hawai'i; Oahu Fresh L.L.C.; Big Island Divers; 9Bar HNL; Kōkua Hawai'i Foundation; Hawai'i Wildlife Fund; Styrophobia; Sustainable Island Products; Wipeout Crew; and three hundred twenty-one individuals. Your Committees received testimony in opposition to this measure from the Chamber of Commerce Hawaii; Hawai'i Restaurant Association; Retail Merchants of Hawaii; Hawaii Food Industry Association; KYD, Inc. dba: K Yamada Distributors; and three individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that many food service businesses in Hawaii use expanded polystyrene foam containers for food that is taken out by customers. Expanded polystyrene foam is 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 also find that polystyrene foam 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, 2020; 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 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. 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 your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 233 (Joint) Agriculture and Environment and Commerce, Consumer Protection, and Health on S.B. No. 1177

The purpose and intent of this measure is to establish common interest agricultural communities.

Your Committees received testimony in support of this measure from the Hawai'i Farm Bureau, Hawaii Island School Garden Network, and Aloun Farms. Your Committees received comments on this measure from the Department of Agriculture and Office of Planning.

Your Committees find that use of agricultural land has been of concern to the State for decades; particularly in cases where residential structure violations have occurred. Common interest agricultural communities may provide a solution for Hawaii's farmers to farm agricultural land and share agricultural infrastructure and other resources in an economically viable way, while establishing greater accountability to ensure proper land use.

Your Committees note the concerns expressed in the testimony of the Department of Agriculture and Office of Planning and encourage both agencies to work together to prepare proposed amendments as this measure moves forward in the legislative process.

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 Agriculture and Environment and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1177, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1177, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 234 (Joint) Agriculture and Environment and Commerce, Consumer Protection, and Health on S.B. No. 1275

The purpose and intent of this measure is to:

- (1) Clarify that the Board of Agriculture has the power to acquire property by eminent domain for the construction and maintenance of water facilities that convey, distribute, and transmit water for agricultural uses, but not for domestic use; and
- (2) Amend the definition of "public utility" in chapter 269, Hawaii Revised Statutes, to include the production, conveyance, transmission, delivery, or furnishing of water for human consumption.

Your Committees received testimony in support of this measure from the Department of Agriculture; Board of Water Supply, City and County of Honolulu; Hawai'i Farm Bureau; East Kauai Water Users' Cooperative; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Land Use Research Foundation of Hawaii; Kalepa Koalition; Saiva Siddhanta Church; Ponoholo Ranch, Limited; MauiGrown Coffee, Inc.; and four individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs Division of Consumer Advocacy and Public Utilities Commission.

Your Committees find that there are many non-potable water systems across the State that provide non-potable water for agricultural purposes. There is concern that Public Utilities Commission regulations intended for privately owned utilities may be applied to state-owned agricultural irrigation systems already overseen by the State's Commission on Water Resource Management. Your Committees find that this measure clarifies state law in alignment with policies currently followed by the Department of Agriculture and Public Utilities Commission.

Your Committees have amended this measure by:

- (1) As recommended by the Consumer Advocate:

- (A) Deleting the proposed addition of “for human consumption” to the definition of “public utility”; and
- (B) Clarifying that “public utility” excludes any person who controls, operates, or manages plants, facilities, or projects developed pursuant to chapter 167, Hawaii Revised Statutes, for conveying, distributing, and transmitting non-potable or irrigation water; and
- (2) As recommended by the City and County of Honolulu Board of Water Supply, clarifying that exclusions from the definition of “public utility” shall not be construed to apply to any board of water supply managing, controlling, and operating the water works of the county for the purpose of supplying water to the public in the county.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1275, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1275, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 235 Ways and Means on H.B. No. 1530

The purpose of this measure is to appropriate funds for the legislative branch of state government.

Specifically, this measure appropriates:

- (1) \$9,588,608 to the Senate;
- (2) \$13,205,390 to the House of Representatives;
- (3) \$3,151,649 to the Office of the Auditor;
- (4) \$2,800,000 to be deposited into the Audit Revolving Fund;
- (5) \$6,300,000 from the Audit Revolving Fund to the Office of the Auditor to conduct or complete audit functions;
- (6) \$3,676,187 to the Legislative Reference Bureau;
- (7) \$1,316,799 to the Office of the Ombudsman; and
- (8) \$1,112,093 to the State Ethics Commission.

Your Committee received testimony in support of this measure from the State Ethics Commission, the Office of the Ombudsman, the Office of the Auditor, and one individual.

Your Committee received comments on this measure from the Legislative Reference Bureau and Common Cause Hawaii.

Your Committee finds that this measure appropriates sufficient funds to defray the necessary expenses in fiscal year 2017-2018 of the Senate, the House of Representatives, the Office of the Auditor, the Legislative Reference Bureau, the Office of the Ombudsman, and the State Ethics Commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1530, 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, 8. Noes, none. Excused, 3 (Galuteria, Harimoto, Kahele).

SCRep. 236 Transportation and Energy on S.B. No. 290

The purpose and intent of this measure is to authorize the issuance of general obligation bonds for design, plans, material, construction, and equipment for an extension of the Lahaina Bypass Road from North Keawe Street to beyond Puukolii Road.

Your Committee received testimony in support of this measure from the Department of Transportation and two individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that supporting projects that create and maintain an efficient and safe flow of traffic are essential for satisfying the transportation needs of the State. One of the most inefficient traffic areas in the State is in the Lahaina region of West Maui. There is only a single two-lane, undivided highway in and out of the popular town of Lahaina. Traffic congestion on this highway is a constant problem and regularly more than doubles travel times in and out of Lahaina. The traffic congestion is not only a problem for daily travelers, but also slows emergency responders. Additionally, the road is suffering from and vulnerable to ongoing erosion from ocean waves and rising sea levels. To alleviate some of these traffic problems, particularly for those who must travel to and from the West Maui area, it is necessary to connect West Maui to the Lahaina Bypass Road. Accordingly, this measure authorizes the issuance of \$40,000,000 in general obligation bonds for all aspects of an extension of the Lahaina Bypass Road from North Keawe Street to beyond Puukolii Road to effectively connect West Maui to the Lahaina Bypass Road.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 290 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 237 Transportation and Energy on S.B. No. 367

The purpose and intent of this measure is to increase the fines for violations associated with a person operating a vehicle after the person's license and privilege have been suspended or revoked for operating a vehicle under the influence of an intoxicant.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Strategic Highway Safety Plan, Mothers Against Drunk Driving Hawaii, and three individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that alcohol-impaired driving continues to be a problem in Hawaii. Despite criminal penalties, interlock ignitions, and license suspensions and revocations, offenders continue to operate vehicles. This measure provides a further deterrence for violators, especially repeat offenders, from operating a vehicle while their licenses are suspended or revoked for operating a vehicle under the influence of an intoxicant.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 367 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 238 Transportation and Energy on S.B. No. 1013

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. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that a safe, efficient, and effective highway system is essential to the safety and welfare of the public. The State's highway system is in need of continuing repairs and maintenance which require significant funding. As automobiles become more fuel-efficient and the demand for fuel decreases, the amount of revenues from the federal highway trust fund and the state highway fund will continue to decrease. Therefore, it is necessary to generate increased revenues from other sources. Allowing the Department of Transportation Highways Division to collect an equitable compensation from franchise utility companies for the use of the state right of way will help stabilize or increase revenues and provide infrastructure enhancements and remediation.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1013 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 239 Transportation and Energy on S.B. No. 1258

The purpose and intent of this measure is to establish requirements for autocycles in the State.

Your Committee received testimony in support of this measure from the Department of Transportation, Polaris Industries, and one individual.

Your Committee finds that the existing statutes relating to the registration of vehicles permitted in the State needs updating. Specifically, the existing statutes do not allow for the registration of autocycles, a newer type of vehicle composed of three wheels and non-traditional seating that is manufactured to motorcycle safety standards. These components cause autocycles to unnecessarily fall outside the scope of the State's vehicle registration statutes, thus prohibiting autocycles in the State. Accordingly, this measure:

- (1) Provides that autocycles are to be registered as motor vehicles;
- (2) Provides that for use on the roadways autocycles must be registered and the operator must have a valid driver's license; and
- (3) Provides a definition for autocycles.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1258 and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 240 Transportation and Energy on S.B. No. 662

The purpose and intent of this measure is to appropriate funds as a grant-in-aid to W.H. Shipman, Ltd., for traffic plans and traffic lights in the Shipman Business Park on the Island of Hawai'i.

Your Committee received testimony in support of this measure from the Department of Transportation and one individual.

Your Committee finds that the strategic positioning of traffic lights helps ensure an efficient flow of traffic and promotes the health and safety of the public. In the Shipman Business Park in Hawaii County the lack of a strategically placed traffic light creates a

potentially dangerous situation where motorists must cross a busy highway to make necessary turns. It is therefore necessary to take steps to rectify this unsatisfactory traffic condition. The most appropriate means of addressing the traffic issues in this area is to appropriate funds as a grant-in-aid to W.H. Shipman, Ltd. to develop plans and install appropriate traffic lights.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Harimoto, Shimabukuro). Noes, none. Excused, 1 (English).

SCRep. 241 (Joint) Transportation and Energy and Agriculture and Environment on S.B. No. 1017

The purpose and intent of this measure is to repeal the exemption for vehicles designated as farm use only as set forth in section 286-208, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received testimony in opposition to this measure from the Hawaii Agricultural Research Center.

Your Committees find that under the federal Moving Ahead for Progress in the 21st Century Act, the State is required to adopt the federal exemptions as to farm vehicles. The Department of Agriculture has adopted the federal requirements in chapter 19-141, Hawaii Administrative Rules. As such, section 286-208, Hawaii Revised Statutes, should be repealed as it creates a conflict with federal law.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1017 and recommend that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

SCRep. 242 Transportation and Energy on S.B. No. 494

The purpose and intent of this measure is to require persons arrested for operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant to be fitted with a continuous alcohol monitoring device under certain circumstances.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of the Prosecuting Attorney of the City and County of Honolulu, Office of the Prosecuting Attorney of the County of Kaua'i, SCRAM Systems, and one individual. Your Committee received testimony in opposition to this measure from the Honolulu Police Department.

Your Committee finds that in 2012, the National Highway Traffic Safety Administration reported that forty-one percent of all traffic fatalities in Hawaii were alcohol related, versus the national average of thirty-one percent. Moreover, between 2008 and 2012, eleven percent of all alcohol-related fatalities in Hawaii involved a driver who was previously convicted of operating a vehicle under the influence of an intoxicant.

This measure seeks to decrease alcohol-related fatalities and accidents by requiring repeat offenders to be fitted with a continuous alcohol monitoring device.

Your Committee has amended this measure on the recommendation of the Department of the Prosecuting Attorney of the City and County of Honolulu by:

- (1) Further clarifying the process and procedures when a person charged with operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant is required to wear a continuous alcohol monitoring device; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 494, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 494, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 243 Transportation and Energy on S.B. No. 1014

The purpose and intent of this measure is to expand the Director of Transportation's authority over the cost of motor vehicle inspections, the fees collected from inspection stations, and the administration of the program.

Your Committee received testimony in support of this measure from the Department of Transportation and one individual.

Your Committee finds that authorizing the Department of Transportation to change the motor vehicle inspection fees by administrative rule is expedient and efficient.

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 Energy 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 244 Transportation and Energy on S.B. No. 1018

The purpose and intent of this measure is to add a budget proviso to the Supplemental Appropriations Act of 2016, Act 124, Session Laws of Hawaii 2016, item C-38.02, to add a budget proviso that permits the utilization of the department of transportation, airports division, project adjustment fund.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the budget proviso relating to the Department of Transportation, Airports Division, project adjustment fund is necessary to authorize the Governor to make supplemental allotments from the project adjustment fund to supplement any currently authorized capital investment cost elements for Airports Division capital improvement projects.

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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1018, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1018, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 245 Transportation and Energy on S.B. No. 678

The purpose and intent of this measure is to:

- (1) Include structures, machinery, equipment, and capital assets in the definition of capital infrastructure costs for purposes of the capital infrastructure tax credit;
- (2) Set a new maximum amount of capital infrastructure tax credits that may be issued in any taxable year per qualified infrastructure tenant;
- (3) Specify that excess tax credits may be carried forward; and
- (4) Specify that special purpose entities may qualify as a qualified infrastructure tenant.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Pacific Shipyards, and five individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure supports the growth of commerce in the State and supports maritime jobs by helping displaced waterfront tenants at Honolulu Harbor raise financing and improve state-owned lands, from which the State will also receive significant lease rents.

Your Committee has amended this measure on the recommendation of the Department of Taxation by:

- (1) Clarifying that the qualified infrastructure tenant, together with all special purpose entities, is limited for purposes of claiming the tax credit, to capital infrastructure costs of \$5,000,000 per taxable year and shall not claim any credit in any one year that exceeds \$2,500,000;
- (2) Providing a penalty for failure to submit the required information to the Department of Taxation; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 678, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 246 Transportation and Energy on S.B. No. 1016

The purpose and intent of this measure is to exempt the Department of Transportation from certain statutory requirements for specified bridge rehabilitation programs by extending the sunset date of Act 218, Session Laws of Hawaii 2012, to June 30, 2022.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs and one individual.

Your Committee finds that this measure is necessary to continue accelerating the design and construction of bridges listed in Act 218. Your Committee notes that the Department of Transportation testified that it is the Department's intent to conform to and comply with all state laws during the design and construction phases of each bridge project.

Your Committee has amended this measure by inserting an effective date of June 29, 2017.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Harimoto, Shimabukuro). Noes, none. Excused, 1 (English).

SCRep. 247 Transportation and Energy on S.B. No. 1008

The purpose and intent of this measure is to add the offense of criminal trespass onto State Department of Transportation lands to the penal code.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and two individuals. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness.

Your Committee finds that this measure assists the Department of Transportation in protecting the lands, property, and facilities under its jurisdiction and improves the safety of individuals when entering upon state lands.

Your Committee has amended this measure by:

- (1) Inserting a savings clause; and
- (2) Making 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1008, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1008, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 1 (English).

SCRep. 248 Judiciary and Labor on S.B. No. 133

The purpose and intent of this measure is to:

- (1) Statutorily require the actuary of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to prepare an experience study at least once every three years and a valuation report annually; and
- (2) Reduce the maximum period between experience studies of the Employees' Retirement System (ERS) from five years to three years beginning with fiscal year 2018-2019.

Your Committee received comments on this measure from the Employees' Retirement System and Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that state and county contributions as employers for the normal cost and unfunded liability amortization of the ERS and EUTF are increasing and the State's and counties' liabilities and obligations for the pension and health insurance coverage of public employees are of major concern. Your Committee finds that this measure increases monitoring of the experience and valuations of the ERS and EUTF to aid in the proper planning of future state and county budgetary needs.

Your Committee has amended this measure by:

- (1) As recommended by the EUTF:
 - (A) Deleting proposed statutory language that would have required the actuary of the EUTF to prepare an experience study at least once every three years; and
 - (B) Requiring the annual valuation to include an update of assumptions specific to the fund that are not updated by section 88-105, Hawaii Revised Statutes, as determined by the actuary at least once every three years;
- (2) Inserting an effective date of January 7, 2059, 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. 133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 133, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 249 (Joint) Judiciary and Labor and Transportation and Energy on S.B. No. 206

The purpose and intent of this measure is to:

- (1) Allow any person who is eligible to vote but is not already registered to vote and applies for a new or renewed motor vehicle driver's license, provisional license, or instruction permit, or a new, renewed, or duplicate civil identification card to be automatically registered to vote unless the applicant affirmatively declines to be registered to vote;
- (2) Require the examiner of drivers to electronically transmit the necessary information to election officials and the statewide voter registration system, in addition to the appropriate county clerk; and

- (3) Authorize access to and electronic transmission of databases maintained or operated by the counties or the Department of Transportation containing driver's license or civil identification card information to election officials and the statewide voter registration system, as determined by the Chief Election Officer.

Your Committees received testimony in support of this measure from the Office of Elections; Office of Hawaiian Affairs; Office of the County Clerk, County of Maui; Office of the County Clerk, County of Kaua'i; Kupuna Caucus of the Democratic Party of Hawaii; Common Cause Hawaii; Hawai'i Alliance for Progressive Action; League of Women Voters of Hawaii; National Women's Political Caucus, Hawaii Chapter; and twenty-eight individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation.

Your Committees find that automatic voter registration, also known as "motor voter", provides eligible voters an opportunity to register to vote when applying for or renewing a driver's license unless the eligible voter affirmatively declines to be registered. Proponents believe that automatic voter registration assists in removing barriers to registration for eligible voters, which is the first step to voter participation. Voter registration through a routine and necessary transaction, such as driver's licensing or renewal, increases voter registration efficiency and effectiveness and voter turnout. Hawaii has one of the lowest voter registration rolls and participation rates in the country. This measure will assist in increasing voter registration by providing the option for individuals when applying for or renewing driver's licenses and state identification cards to register to vote.

Your Committees note the written testimony received by the Department of Transportation indicates that section 286-172, Hawaii Revised Statutes, authorizes the Director of Transportation to determine the distribution of the personal information contained in the driver's license and civil identification statewide traffic records system, including documents and images. Thus, in accordance with this law, the Chief Election Officer is required to make a request to the Director of Transportation for access to and the electronic transmission of information contained in the statewide traffic records system.

Accordingly, your Committees have amended this measure by:

- (1) Adopting the language suggested by the Department of Transportation that authorizes the Director of Transportation, rather than the Chief Election Officer, to determine access to and the electronic transmission of databases containing driver's license or civil identification card information to election officials, provided that the Chief Election Officer makes a request to the Director of Transportation for the electronic transmission of such information;
- (2) Inserting an effective date of January 7, 2059, 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 Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 206, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 206, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 250 Judiciary and Labor on S.B. No. 410

The purpose and intent of this measure is to:

- (1) Clarify the allowable scope of collective bargaining negotiations; and
- (2) Clarify prohibited practices for parties to a public employment collective bargaining agreement.

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; State of Hawaii Organization of Police Officers; Hawaii State Teachers Association; and Hawaii Fire Fighters Association, International Association of Fire Fighters Local 1463, AFL-CIO. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development, County of Hawaii Office of the Mayor, County of Kauai Department of Human Resources, and County of Maui Office of the Mayor.

Your Committee finds that government is more effective when public employees share in the decision-making process affecting wages and working conditions. Fairness in this process and cooperation between parties is essential to a healthy collective bargaining environment. Your Committee finds that this measure promotes the joint decision-making process while ensuring fairness between public employers and respective bargaining units.

Your Committee has amended this measure by:

- (1) Deleting section 2 to retain the current statutory language relating to prohibited practices for parties to a public employment collective bargaining agreement;
- (2) Inserting an effective date of January 7, 2059, 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. 410, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 410, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 251 Judiciary and Labor on S.B. No. 493

The purpose and intent of this measure is to:

- (1) Create standards and procedures for the withholding of income for the purposes of enforcing restitution orders;
- (2) Establish that any income withholding order for the enforcement of an order for restitution has priority against any garnishment, attachment, execution, other income withholding order, or any other order with certain exceptions;
- (3) Amend the definition of “debt” relating to the recovery of money owed to the State to include any unpaid court ordered restitution enforceable as a civil judgement;
- (4) Require that any bail posted by a defendant be applied toward payment of any court ordered restitution in the same case; and
- (5) Extend a victim’s access to adult probation records to include access to payment compliance records without a fee or surcharge.

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; Hawaii State Coalition Against Domestic Violence; and The Sex Abuse Treatment Center. Your Committee received comments on this measure from the Judiciary and Department of Taxation.

Your Committee finds that victim restitution is a paramount victim’s right that addresses a wide range of effects of crime, including physical, emotional, psychological, financial, and social impacts. This measure offers a comprehensive approach to restitution collection so that victims of crimes will not be provided hollow promises when the court orders restitution.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Prosecuting Attorney of the City and County of Honolulu that removes the court’s ability to revoke restitution ordered as part of the defendant’s sentencing;
- (2) Inserting an effective date of January 7, 2059, 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. 493, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 493, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 252 Judiciary and Labor on S.B. No. 935

The purpose and intent of this measure is to:

- (1) Convert certain Hawaii Employer-Union Health Benefits Trust Fund (EUTF) staff to civil service positions; and
- (2) Appropriate funds for the EUTF to hire staff through the civil service system.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that eighty-six percent of EUTF authorized positions are exempt from civil service. Civil service employees receive benefits that are unavailable to exempt employees. Your Committee finds that EUTF operations and employees would benefit from the hiring of certain EUTF staff through the civil service system.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 935, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 935, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 253 Judiciary and Labor on S.B. No. 1047

The purpose and intent of this measure is to require the actuary to conduct an annual stress test of the Employees’ Retirement System (ERS) and the ERS Board to submit an annual report on the result of the test to the Legislature.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly and one individual. Your Committee received comments on this measure from the Employees’ Retirement System.

Your Committee finds that the successful investment of the ERS funds is essential to the stability and sustainability of the ERS. Clarity and transparency regarding the information upon which ERS decisions are based are crucial to allow for employees, retirees, and the public to have an understanding of, and confidence in, the ERS. Your Committee further finds that an annual stress test will help to ensure that the ERS Board makes decisions based on widespread actuarial data and projections, rather than on data resulting from isolated events.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 1047, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1047, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 254 Judiciary and Labor on S.B. No. 101

The purpose and intent of this measure is to comply with the mandate of Article VII, Section 6, of the Hawaii State Constitution regarding the disposition of excess general fund revenues.

Specifically, this measure:

- (1) Makes appropriations for the pre-payment of the State's unfunded accrued pension liability and annual required contribution to cover its other post-employment benefits (OPEB) liability; and
- (2) Makes an appropriation to the emergency and budget reserve fund.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and one individual.

Your Committee finds that S.B. No. 2554, Regular Session of 2016, proposed a constitutional amendment which was approved by the voters on November 8, 2016, to allow the Legislature the option to appropriate excess general fund revenues for the pre-payment of the State's pension or OPEB liability while retaining the option to deposit excess general fund revenues into a fund that serves as a temporary supplemental source of funding for the State in times of an emergency, economic downturn, or unforeseen reduction in revenue. Your Committee finds that this measure makes appropriations in compliance with Article VII, Section 6, of the Hawaii State Constitution, as amended.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 255 Judiciary and Labor on S.B. No. 928

The purpose and intent of this measure is to:

- (1) Amend the definition of "dependent-beneficiary" under the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to clarify eligibility of children for participation in fund benefit plans; and
- (2) Conform the definition of "dependent-beneficiary" to the federal Patient Protection and Affordable Care Act of 2010.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that the existing definition of "dependent-beneficiary" in section 87A-1, Hawaii Revised Statutes, allows for a child born to or adopted by an employee's or retiree's surviving spouse after the death of the employee or retiree to receive EUTF benefits. Your Committee finds that EUTF benefits should only cover natural or adopted children of a deceased state employee or retiree. Your Committee also finds that it is important for EUTF definitions to be consistent with existing federal law.

Your Committee notes that this measure's title contains a typographical error and recommends that the EUTF work with your Committee on Ways and Means to find a more appropriate vehicle for this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 928 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 256 Commerce, Consumer Protection, and Health on S.B. No. 889

The purpose and intent of this measure is to:

- (1) Clarify that the State shall be exclusively liable for claims for injury or loss of property, or personal injury or death, resulting from the negligent or wrongful act or omission of any professionally licensed or certified employee of the State acting within the scope of the employee's office or employment; and
- (2) Preclude civil actions or proceedings for money damages against the employee.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Health; Department of Taxation; Department of Accounting and General Services; Department of Public Safety; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that state employees are generally afforded qualified immunity for torts as a result of actions taken while in the course and scope of their state employment, which affords these employees protection from individual liability. However, in the recent case of *Slingluff v. State*, 317 P.3d 683 (Haw. Ct. App. 2013), the Intermediate Court of Appeals held that “physicians employed by the State, including prison doctors, exercising purely medical discretion in the diagnosis and treatment of potentially injured or sick people, are not protected from medical malpractice claims by the doctrine of qualified immunity under Hawai‘i law.”

According to testimony received by your Committee, since *Slingluff*, the State has taken steps to obtain professional liability insurance covering claims of individual liability for its physicians in the Department of Public Safety, although this comes at a cost. Furthermore, the potential for personal liability can have a negative impact on hiring and retention of well-qualified professionals who are interested in working for the State. This measure seeks to clarify the issue of state defense and indemnification of professionally licensed or certified employees.

Your Committee has amended this measure by:

- (1) Clarifying that the State’s liability shall be exclusive whenever the State agrees to be fully liable for the injuries, losses, and damages caused by a professionally licensed or certified employee;
- (2) Clarifying that civil actions or proceedings for money damages against an employee are precluded, except for claims based on liability other than an employee’s scope of employment with the State or other employer;
- (3) Clarifying the liability of the State and employee when the State assumes full and partial assumption of responsibility;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (5) Updating the purpose section; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the Department of the Attorney General and the Hawaii Association for Justice are currently working on additional compromise language regarding the liability of state employees, and requests that interested stakeholders continue to work on this consensus language. Your Committee notes that this amended measure is a work in progress and additional consideration of the compromise language may be warranted by your Committees on Judiciary and Labor and Ways and Means.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 257 Commerce, Consumer Protection, and Health on S.B. No. 894

The purpose and intent of this measure is to update the regulation of charitable organizations and activities in the State by:

- (1) Specifying disclosure requirements for collection boxes;
- (2) Adding a definition of “property”, as the term relates to the protection of charitable assets;
- (3) Clarifying registration and deactivation procedures for charitable organizations;
- (4) Clarifying requirements for the financial reports that must be filed by professional solicitors;
- (5) Permitting charitable organizations that file an IRS Form 990-PF to file annual reports on the same schedule as charitable organizations that file IRS Form 990 or 990-EZ; and
- (6) Making housekeeping amendments.

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 this measure makes several amendments to the State’s law governing charitable organizations and activities, including: requiring disclosure statements on collection boxes, which will alert and inform the public about whether a nonprofit or a for-profit entity owns the collection box; permitting the use of electronic signatures by professional solicitors; specifying procedures for deactivations of registration; and clarifying requirements for the filing of financial and annual reports. This measure also assists the Department of the Attorney General in its oversight of charitable organizations and fundraising activities, clarifies regulatory procedures for the nonprofit sector, and ensures consumers are able to make informed choices when donating personal property.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 258 Commerce, Consumer Protection, and Health on S.B. No. 951

The purpose and intent of this measure is to update the State's mortgage loan origination law by clarifying:

- (1) Persons who are presumed to control a mortgage loan originator company;
- (2) Procedures for change in control of a licensee;
- (3) Persons who must disclose their relevant criminal history and criminal history background checks upon application for licensure and change in control of the licensee;
- (4) Criminal background check fee requirements; and
- (5) Conditions under which an employee performing mortgage loan origination activities for a nonprofit is exempt from registration and licensure as a mortgage loan originator.

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 mortgage loan originator companies, exempt sponsoring mortgage loan originator companies, nonprofit organizations, and other similar entities originate billions of dollars of residential mortgage loans annually. Among other things, this measure helps to identify persons who are presumed to control a mortgage loan originator company, clarifies procedures for change in control of a licensee, and adds requirements to protect consumers in their mortgage loan origination transactions with exempt sponsoring mortgage loan originator companies. This measure ensures the State can provide appropriate supervision of the mortgage loan origination industry, as required by federal law, and will make the State's mortgage loan origination law clearer and more effective, improve compliance within the industry, enhance the Division of Financial Institutions' regulatory oversight and enforcement of the mortgage loan origination industry, and elevate consumer protection.

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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 951, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 259 Agriculture and Environment on S.B. No. 1091

The purpose and intent of this measure is to appropriate funds for the Department of Agriculture, after consultation with industry representatives, to enhance and strengthen the biosecurity program in regard to incipient invasive species management programs.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, University of Hawai'i System, Coordinating Group on Alien Pest Species, The Nature Conservancy, Hawaii Coffee Association, Conservation Council for Hawai'i, Hawai'i Farm Bureau, Environmental Caucus of the Democratic Party of Hawai'i, Local Food Coalition, and eight individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that despite the State's ongoing efforts to detect and eradicate invasive species, our fragile island ecosystems are constantly at risk from insects, disease-bearing organisms, snakes, weeds, and other invasive pests. Your Committee further finds that the Department of Agriculture has created a biosecurity program to fight invasive species on several fronts by:

- (1) Administering pre-entry measures to minimize the risk of invasive species entering the State;
- (2) Conducting port-of-entry inspections to detect and quarantine or destroy pests upon arrival; and
- (3) Administering post-entry measures to mitigate the establishment of invasive species within the State.

To encourage continued efforts to fight invasive species, your Committee finds that it is necessary to provide funding to support biosecurity programs.

Your Committee has amended this measure by:

- (1) Requiring the Department of Agriculture to consult with environmental organizations, in addition to industry representatives, to enhance and strengthen the biosecurity 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 Agriculture and Environment 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 260 Agriculture and Environment on S.B. No. 1193

The purpose and intent of this measure is to establish an income tax credit for agricultural commodities produced in the State and sold directly to consumers, up to a limit of \$5,000, for agricultural producers whose gross income from the sale of agricultural commodities totals no more than \$50,000 per year.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau; Hawaii Coffee Association; Malia Farms LLC; Kakalina Farms LLC; Vida Farm, LLC; and seven individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that the sale of agricultural commodities directly to consumers continues to grow in the State. Your Committee also finds that additional support to Hawaii's agriculture industry, specifically, reducing the tax burden of farms that produce and sell agricultural commodities, such as fruits, vegetables, nuts, coffee, and honey, will help to promote the production of locally-grown food, reduce reliance on agricultural imports, and foster job growth in the State.

Your Committee has amended this measure by, as recommended by the Department of the Attorney General, removing language that requires an "agricultural commodity" to be produced in the State.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1193, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Rhoads, Ruderman). Noes, none. Excused, 1 (Nishihara).

SCRep. 261 Agriculture and Environment on S.B. No. 1194

The purpose and intent of this measure is to exempt gross income from the sale of agricultural commodities produced in the State and sold directly to consumers from the general excise tax up to a limit of \$50,000 per year.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau; Hawaii Coffee Association; Malia Farms LLC; Kakalina Farms LLC; Vida Farms, LLC; and four individuals. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that the sale of agricultural commodities directly to consumers continues to grow in the State. Your Committee also finds that additional support to Hawaii's agriculture industry, specifically, reducing the tax burden of farms that produce and sell agricultural commodities, such as fruits, vegetables, nuts, coffee, and honey, will help to promote the production of locally-grown food, reduce reliance on agricultural imports, and foster job growth in the State.

Your Committee has amended this measure by:

- (1) As recommended by the Department of the Attorney General, removing language that requires an "agricultural commodity" to be produced in the State; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Rhoads, Ruderman). Noes, none. Excused, 1 (Nishihara).

SCRep. 262 Agriculture and Environment on S.B. No. 1196

The purpose and intent of this measure is to bring Hawaii law into compliance with federal law relating to the sale of organic foods by small organic farms and businesses.

Your Committee received testimony in support of this measure from Kakalina Farms LLC and one individual. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, and Tax Foundation Hawaii.

Your Committee finds that the Legislature passed Act 258, Session Laws of Hawaii 2016, codified as section 235-110.94, Hawaii Revised Statutes, which established the organic foods production tax credit for farmers, ranchers, and producers seeking to obtain organic certification as an effort to reduce the burden on emerging small farmers seeking costly, but necessary, certifications and inspections promoting the production of locally-grown food. The federal Organic Foods Production Act also provides exemptions for certain small farmers of organic products to reduce their operation costs. This measure ensures that Hawaii laws are in compliance with the Organic Foods Production Act for purposes of claiming the organic foods production tax credit.

Your Committee has amended this measure by:

- (1) As recommended by the Department of Agriculture, adding an additional provision to the definition of "qualified taxpayer" to include a farmer who provides a letter each year from the certifier confirming that the exempt organic farming operation seeking to establish or maintain qualification for the tax credit is in good standing with respect to its exempt status and in full compliance with applicable organic production and handling and labeling requirements;
- (2) As recommended by the Department of Taxation, changing the effective date to apply to taxable years beginning after December 31, 2016; 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 and Environment 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 263 Agriculture and Environment on S.B. No. 1204

The purpose and intent of this measure is to:

- (1) Establish the agriculture accelerator program to authorize the Agribusiness Development Corporation (ADC) to provide grants and invest in existing or new agriculture businesses approved by the Board of Directors of the ADC in return for equity in those agriculture businesses;
- (2) Establish an agriculture accelerator special fund to provide funds for the ADC to provide grants to and invest in agriculture businesses under the agriculture accelerator program; and
- (3) Require a portion of the per-barrel environmental response, energy, and food security tax to be deposited into the agriculture accelerator special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; High Technology Development Corporation; EcoTipping Points Project; Hawaii Crop Improvement Association; Hawai'i Farm Bureau; Larry Jefts Farms, LLC; and two individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that the ability for the ADC to establish an agriculture accelerator program and issue grants will provide the means to assist local farming operations, make investments to strengthen and diversify Hawaii's agriculture, attract and retain businesses, and streamline the ADC's operations. Your Committee further finds that an agriculture accelerator program may help foster partnerships to facilitate agribusiness projects and help grow Hawaii's agriculture industry.

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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1204, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Ruderman). Noes, none. Excused, 1 (Nishihara).

SCRep. 264 Agriculture and Environment on S.B. No. 1205

The purpose and intent of this measure is to establish a reimbursement transportation cost payment program within the Department of Agriculture to reimburse geographically disadvantaged eligible producers for a portion of the cost to transport eligible commodities or inputs used to produce an eligible commodity.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Hawaii Coffee Association; Hawaii Crop Improvement Association; Hawai'i Farm Bureau; Ponoholo Ranch, Limited; Larry Jefts Farms, LLC; and one individual.

Your Committee finds that the ability for producers to transport agricultural commodities is critical as operations and markets expand. Transportation of agricultural commodities can be costly to producers already financially burdened by agricultural operation expenses. Your Committee finds that this measure seeks to provide financial relief to Hawaii's farmers and ranchers.

Your Committee has amended this measure by:

- (1) Requiring the Department of Agriculture to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the Reimbursement Transportation Cost Payment Program (Program);
- (2) Inserting an appropriation for one full-time equivalent (1.0 FTE) program coordinator position within the Department of Agriculture for the Program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1205, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1205, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 265 Agriculture and Environment on S.B. No. 1239

The purpose and intent of this measure is to appropriate funds for research on prevention and mitigation of rapid ohia death.

Your Committee received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, University of Hawai'i System, Coordinating Group on Alien Pest Species, Hawai'i Green Growth, Kalihi Palama Hawaiian Civic Club, Conservation Council for Hawai'i, Hawai'i Farm Bureau, The Nature Conservancy, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, Association of Hawaiian Civic Clubs, and twelve individuals.

Your Committee finds that ohia makes up about fifty percent of the State's native forest and is a keystone species in native watershed areas. Rapid ohia death is devastating thousands of acres of native forest on the island of Hawaii. Your Committee further finds that rapid ohia death is a critical threat to the State's native forests, so it is crucial that funds are directed to address this issue.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1239 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 266 Agriculture and Environment on S.B. No. 1313

The purpose and intent of this measure is to establish a statewide agricultural development and food resiliency strategy and goals, in line with the recommendations of the Increased Food Security and Food Self-Sufficiency Strategy.

Your Committee received testimony in support of this measure from the Department of Agriculture, Office of Planning, University of Hawai'i System, Hawai'i Farm Bureau, Ka Ohana O Na Pua, EcoTipping Points Project, and six individuals.

Your Committee finds that the Office of Planning, in cooperation with the Department of Agriculture, issued a report in October 2012, entitled "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". The executive summary of the report states in pertinent part, "The purpose of the Increased Food Security and Food Self-Sufficiency Strategy (Strategy) is to increase the amount of locally grown food consumed by Hawaii residents. This will increase food self-sufficiency which is a component of food security. The Strategy is a living document intended as a first step toward continued dialog and implementation". Your Committee further finds that this measure is the next step toward increasing local food production in the State.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1313 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 267 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 1214

The purpose and intent of this measure is to appropriate funds to the Department of Health and Department of Human Services, including the Office of Youth Services, to provide homeless outreach services.

Your Committees received testimony in support of this measure from the Governor's Coordinator on Homelessness, Office of Youth Services, Catholic Charities Hawai'i, Partners in Care, Hawaii Youth Services Network, PHOCUSED, IMUAlliance, Parents and Children Together, Democratic Party of Hawai'i, and one individual. Your Committees received comments on this measure from the Department of Human Services, Department of Health, and one individual.

Your Committees find that Hawaii has the highest rate per capita of homelessness of any state in the nation. Addressing homelessness requires a multi-faceted approach using interventions targeted to the particular characteristics of the population being served. A more strategic, coordinated outreach effort is needed to assertively serve the growing percentage of homeless persons who are not living in shelter programs. Additionally, outreach is especially critical to help newly homeless youth navigate the social services system to find safe alternatives to homelessness, as youth service providers report that the number of homeless youth has been increasing each year.

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, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1214, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1214, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).
Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Nishihara, Ruderman).

SCRep. 268 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.B. No. 1155

The purpose and intent of this measure is to specify that coverage for telehealth under the State's Medicaid managed care and fee-for-service programs includes psychiatric services provided through a coordinated care manager who is present in a primary health care provider's office through telehealth.

Your Committees received testimony in support of this measure from the Hawaii Medical Association and Hawaii Psychiatric Medical Association. Your Committees received comments on this measure from the Department of Human Services, Hawaii Medical Service Association, and one individual.

Your Committees find that the psychiatric collaborative care model of integrated care is ideal for states like Hawaii with community populations that are remote from urban centers because the model does not require the physical presence of a psychiatrist when psychiatric services can be delivered remotely. The psychiatric collaborative care model supports mental and behavioral health through a team-based, coordinated approach involving a psychiatric consultant, a behavioral health care manager, and the primary care clinician extending beyond the scope of an office visit. Including coverage for psychiatric services provided through a collaborative care model that emulates the Centers for Medicare and Medicaid Services collaborative care program will ensure that more patients will receive the health care they need in a timely and efficient manner.

Your Committees have amended this measure by:

- (1) Clarifying that coverage for telehealth under the State's Medicaid managed care and fee-for-service programs includes psychiatric services provided to a patient by a collaborative care team consisting of a primary care provider and a behavioral health care manager, who is present in the primary care provider's office, in conjunction with a psychiatric consultant whose services may be delivered through telehealth; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1155, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1155, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Nishihara, Ruderman).

SCRep. 269 (Joint) Human Services and Housing on S.B. No. 1223

The purpose and intent of this measure is to:

- (1) Appropriate funds for establishing, staffing, and operating two mobile clinics to serve the homeless population;
- (2) Appropriate funds for establishing three specialty shelters to temporarily house and serve homeless individuals;
- (3) Appropriate funds to the Department of Human Services to study the impact and feasibility of creating an integrated database of certain information related to homeless individuals for providers of homeless services;
- (4) Require the Governor to establish puuhonua safe zones where homeless persons may reside and appropriate funds for such purposes;
- (5) Appropriate funds for homeless outreach services and storage of homeless people's property;
- (6) Appropriate funds for outreach services to homeless persons with serious and persistent mental illness;
- (7) Appropriate funds for services for homeless persons experiencing substance abuse; and
- (8) Appropriate funds to assist the Department of Transportation with homelessness-related issues pertaining to security, health, and safety.

Your Committees received testimony in support of this measure from the Hawaii Youth Services Network, Hawaii Kai Homeless Task Force, IMUAlliance, Democratic Party of Hawai'i, and three individuals. Your Committees received testimony in opposition to this measure from the Governor's Coordinator on Homelessness. Your Committees received comments on this measure from the Department of Human Services, Department of the Attorney General, Department of Health, and Honolulu Police Department.

Your Committees find that homelessness continues to be one of the State's most significant and challenging social problems. Homeless persons face a myriad of issues, including general health issues, mental illness, and substance abuse. These issues affecting homeless persons also impact the general population through the costs of social and health care services. Because homelessness is a complex issue, continuous resources and coordinated efforts at all levels are critical to ensuring that the most vulnerable individuals are receiving the support services they need.

Your Committees have amended this measure by:

- (1) Specifying that the responsibilities for the establishment, maintenance, and operation of puuhonua safe zones are placed under the Department of Human Services instead of the Office of the Governor;
- (2) Inserting language that waives the State's liability for any loss, damage, injury, or death in a puuhonua safe zone; and
- (3) Specifying that the Department of Human Services is the expending agency, rather than the Office of the Governor, for appropriated funds for the establishment of puuhonua safe zones.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1223, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1223, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Housing: Ayes, 3; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, 2 (Kahale, Nishihara).

SCRep. 270 (Joint) Human Services and Housing on S.B. No. 1243

The purpose and intent of this measure is to:

- (1) Require the Department of Human Services to:
 - (A) Establish and implement residential campgrounds with full supportive services for the homeless that utilize undeveloped government land located in industrial zones; and
 - (B) Submit an annual report containing information about the residential campgrounds and its residents to the Legislature; and
- (2) Appropriate funds to establish and implement the residential campgrounds, including the hiring of necessary staff.

Your Committees received testimony in support of this measure from the Hawaii Kai Homeless Task Force, Democratic Party of Hawai'i, and one individual. Your Committees received testimony in opposition to this measure from the Governor's Coordinator on Homelessness, Department of Human Services, and IMUAlliance.

Your Committees find that due to economic constraints, the supply of subsidized housing is, and will continue to be, woefully insufficient for the foreseeable future. Consequently, illegal homeless camps, which are a public health menace, are ubiquitous. The State must therefore adopt emergency measures that can be implemented quickly within current budgetary constraints. Exploring the establishment of transitional housing centers will ensure that homeless individuals are housed and receive much needed support services.

Your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Authorizes the Department of Human Services to establish a transitional housing center pilot project;
- (2) Identifies Sand Island Beach Park as a potential location for the transitional housing center pilot project;
- (3) Allows the Department of Human Services to seek assistance from private, nonprofit, and faith-based organizations to provide support services for the homeless in conjunction with the pilot project; and
- (4) Allows the Department of Human Services to consider establishing a transitional housing center pilot project in east Oahu.

Your Committees note the concerns from the Department of Land and Natural Resources relating to the potential legal challenges to the use of Sand Island Beach Park as a possible location for a transitional housing center.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1243, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1243, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Housing: Ayes, 3; Ayes with Reservations (Harimoto). Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 271 Ways and Means on S.B. No. 871

The purpose and intent of this measure is to limit the tax imposed on wholesalers and dealers for each large cigar to the lesser of:

- (1) Fifty cents; or
- (2) Fifty per cent of the wholesale price of the cigar.

Your Committee received testimony in support of this measure from Cigar Association of America, Inc.; Cigar Rights of America, Hawaii; Havana Club Honolulu; Hawaii Cigar Association; Kauai Cigar Company; Mokuleia Cigar Company; and twenty-one individuals.

Your Committee received testimony in opposition to this measure from the Department of Health; American Cancer Society Cancer Action Network; Hawaii COPD Coalition; Hawaii Public Health Institute; and one hundred three individuals.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the excise tax rate imposed on the sale of large cigars makes it difficult for local producers of cigars to compete with mail-order suppliers that sell cigars in Hawaii without paying state taxes and whose customers do not file their tax liability under the State's use tax law. Your Committee further finds that this measure addresses this issue by setting a cap on the excise tax imposed on the sale of large cigars, thereby limiting the financial burden caused by the tax.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Riviere, Taniguchi). Noes, none. Excused, 2 (Harimoto, Wakai).

SCRep. 272 Ways and Means on S.B. No. 942

The purpose and intent of this measure is to resolve a conflict in statutory language by amending section 328L-3, Hawaii Revised Statutes, which establishes the emergency and budget reserve fund, to remove a reference to a specific percentage of Hawaii tobacco settlement special fund moneys to be deposited into the fund.

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 one individual.

Your Committee finds that Act 118, Session Laws of Hawaii 2015, amended section 328L-2, Hawaii Revised Statutes, to reduce the share of tobacco settlement special fund moneys to be deposited into the emergency and budget reserve fund from 24.5 per cent to 15 per cent, effective July 1, 2015. However, the Act did not make a conforming amendment to section 328L-3, Hawaii Revised Statutes, which also states that 24.5 per cent of tobacco settlement special fund moneys are to be deposited into the emergency and budget reserve fund. As a result, sections 328L-2 and 328L-3, Hawaii Revised Statutes, currently reflect different percentages of the tobacco settlement special fund moneys that are to be deposited into the emergency and budget reserve fund.

Your Committee finds that this measure, which provides for the deposit of “moneys received” from the tobacco settlement moneys into the emergency and budget reserve fund, without setting forth a specific percentage of the moneys to be deposited, will prevent future discrepancies and inadvertent errors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 942 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Harimoto, Wakai).

SCRep. 273 Transportation and Energy on S.B. No. 769

The purpose and intent of this measure is to define “aircraft” to include helicopters for purposes of the general excise tax exemption on services and maintenance of aircraft.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce; Maui Hotel & Lodging Association; Pacific Helicopter Tours, Inc.; Jack Harter Helicopters; Blue Hawaiian Helicopters; Sunshine Helicopters; and one individual. Your Committee received testimony in opposition to this measure from Americans for Democratic Action Hawaii; Progressive Democrats of Hawaii; Life of the Land; and three individuals. Your Committee received comments on this measure from Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the aviation industry is important for inter-island travel for tourism, medical needs, and inter-island commerce. The State’s economy is highly dependent on tourism and the ability to travel between islands. There is a proliferation of helicopter use in the State for travel, recreational, and medical needs. As such, the service and maintenance of helicopters and construction of related facilities should be exempt from the general excise tax in the same manner as the service and maintenance of other aircraft.

Your Committee has amended this measure by:

- (1) Clarifying that its purpose is to only exempt helicopter service and maintenance and construction of related facilities from the general excise tax; and
- (2) Making 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 769, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 769, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 274 (Joint) Transportation and Energy and Economic Development, Tourism, and Technology on S.B. No. 660

The purpose and intent of this measure is to:

- (1) Create the energy storage market acceleration program and energy storage market acceleration special fund to be administered by the Hawaii green infrastructure authority;
- (2) Establish an energy storage system rebate for energy storage system providers and allow for rebates under the program to be paid out of the energy storage market acceleration special fund; and
- (3) Appropriate the funds from the Hawaii green infrastructure special fund to the energy storage market acceleration special fund for the purposes of paying rebates and administering the energy storage system rebate program.

Your Committees received testimony in support of this measure from the Hawaii Solar Energy Association; Distributed Energy Resources Council; Stem, Inc.; Amber Kinetics; Sierra Club of Hawaii; and seven individuals. Your Committees received testimony in opposition to this measure from Department of Commerce and Consumer Affairs; Hawaii Green Infrastructure Authority; State Procurement Office; Public Utilities Commission; Blue Planet Foundation; Sust ‘aina ble Molokai; and one individual. Your Committees received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committees find that supporting the growth and development of energy storage technologies is vital to the continued development of renewable energy in the State. The development of energy storage is a crucial step in the development of an updated electrical grid which can accommodate more renewable energy resources. However, energy storage adds significant costs to renewable energy systems, which has impeded the installation and implementation of energy storage systems.

Further, Your Committees find that it is unnecessary to attempt to address issues inhibiting the widespread implementation of energy storage technologies through the Hawaii green infrastructure loan program. Instead, these issues can more efficiently and effectively be addressed through a rebate program funded through the existing public benefits fee under section 269-121, Hawaii Revised Statutes.

Your Committees have amended this measure by:

- (1) Deleting its contents;
- (2) Inserting language that:
 - (A) Establishes the Hawaii energy storage market acceleration program as a rebate program administered by the Public Benefits Fee Administrator;
 - (B) Funds the energy storage market acceleration program through the public benefits fee;
 - (C) Requires the Public Utilities Commission to determine the amount available for rebates annually;
 - (D) Allows the Public Utilities Commission to increase the public benefits fee if necessary; and
 - (E) Requires energy storage systems receiving rebates to remain connected to the utility grid; 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 Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 660, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 660, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

Economic Development, Tourism, and Technology: Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Baker).

SCRep. 275 (Joint) Transportation and Energy and Economic Development, Tourism, and Technology on S.B. No. 682

The purpose and intent of this measure is to extend the sunset date of the alternate energy research and development pilot program to June 30, 2019, and to appropriate funds for the project.

Your Committees received testimony in support of this measure from the High Technology Development Corporation, Navatek, and six individuals.

Your Committees find that the alternative energy and development pilot program established by Act 159, Session Laws of Hawaii 2015, has been successful in supporting local businesses involved in the business of alternative energy during its first two years of implementation. It is therefore appropriate to extend the program for an additional two years and to appropriate an unspecified amount of funds for the same to foster further success and growth of the program.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 682 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

Economic Development, Tourism, and Technology: Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 276 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on S.B. No. 261

The purpose and intent of this measure is to:

- (1) Prohibit smoking in a motor vehicle in which a person under the age of eighteen is present; and
- (2) Require the Department of Health to report on the enforceability and coordination of data collection activities of the respective law enforcement agencies.

Your Committees received testimony in support of this measure from the Department of Health, Office of the Prosecuting Attorney of the County of Kaua'i, County of Hawai'i Police Department, Hawai'i Public Health Association, Hawaii COPD Coalition, American Heart Association/American Stroke Association, Hawai'i Pacific Health, Hawaii Children's Action Network, University of Hawaii Student Health Advisory Council, Hawai'i Public Health Institute/Coalition for a Tobacco-Free Hawaii, and numerous individuals. Your Committees received testimony in opposition to this measure from the Hawaii Smokers Alliance and thirteen individuals. Your Committees received comments on this measure from one individual.

Your Committees find that secondhand smoke is a dangerous class A carcinogen in the same class as asbestos and benzene. Secondhand smoke typically contains at least seven thousand identifiable chemicals, around seventy of which are known or probable carcinogens. According to the Centers for Disease Control and Prevention, secondhand smoke can cause heart disease, lung cancer, and stroke. In children, secondhand smoke can also cause ear infections; more frequent and severe asthma attacks; respiratory symptoms such as coughing, sneezing, and shortness of breath; respiratory infections such as bronchitis and pneumonia; and a greater risk for sudden infant death syndrome.

Your Committees find that children exposed to secondhand smoke run a greater risk of suffering from the damaging health effects. In general, children breathe in more air than adults because their lungs are still developing. Children also have little or no control over their environments and cannot leave if secondhand smoke bothers them.

Your Committees further find that studies have found that secondhand smoke exposure in vehicles is more concentrated than in bars and restaurants. Secondhand smoke in a car causes the air to be many times more toxic than what the Environmental Protection Agency considers hazardous air quality, even when a window is down. Smoke-free vehicle laws such as this measure, ensure that clear air is maintained within the vehicle while a child is inside.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 261 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Commerce, Consumer Protection, and Health: Ayes, 5; Ayes with Reservations (Kidani). Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 277 Agriculture and Environment on S.B. No. 1104

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Maui All Natural Alternative, LLC, as an industrial enterprise.

Your Committee received testimony in support of this measure from the Office of the Mayor, County of Maui; Department of Parks and Recreation, County of Maui; Ulupono Initiative; Maui All Natural Alternative, LLC; Kaanapali Land Management Corp.; Alexander & Baldwin, LLC; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the proceeds of the sale of special purpose revenue bonds will be used by Maui All Natural Alternative, LLC, to build a facility to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui. Your Committee further finds that the issuance of these special purpose revenue bonds is in the public interest and will benefit the public health, safety, and general welfare.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1104 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 278 Agriculture and Environment on S.B. No. 1255

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Honoka'a Land Company LLC, as an agricultural enterprise.

Your Committee received testimony in support of this measure from the Department of Agriculture, Honoka'a Land Company LLC, and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the proceeds of the sale of special purpose revenue bonds will be used by Honoka'a Land Company LLC to acquire, develop, and renovate various facilities at the Haina Mill site and convert the Hawi site to organic production. Your Committee further finds that the issuance of these special purpose revenue bonds is in the public interest and will benefit the public health, safety, and general welfare.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 279 (Joint) Education and Higher Education on S.B. No. 298

The purpose and intent of this measure is to:

- (1) Establish a workforce readiness program within the Department of Education to allow students to graduate from an extended high school enrollment with a high school diploma and an industry-recognized associate's degree; and
- (2) Appropriate monies to develop and implement the program and hire full-time employees.

Your Committees received testimony in support of this measure from the University of Hawaii System and one individual. Your Committees received comments on this measure from the Department of Education

Your Committees find that workforce development is an important issue in the State. Only fifty-six percent of Hawaii's public school graduates continued on to post-secondary education in 2015. Your Committees further find that collaboration between educators and local industry employers would help students enter the workforce with skills and credentials that are valuable to employers in their community.

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 are in accord with the intent and purpose of S.B. No. 298 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Keith-Agaran).

SCRep. 280 (Joint) Education and Higher Education on S.B. No. 299

The purpose and intent of this measure is to require that the Department of Education adopt a broad framework to provide all public school students from kindergarten through twelfth grade with access to computer science curricula.

Your Committees received testimony in support of this measure from the Microsoft Corporation and one individual. Your Committees received comments on this measure from the Department of Education and University of Hawaii System.

Your Committees find that computer science skills are valuable in a wide range of career paths, including manufacturing, health care, finance, defense, and government. As of December 2016, there were 1,343 open computing jobs in Hawaii, and the average yearly salary for a computing occupation is significantly higher than the average yearly salary of all other occupations in the State. Your Committees further find that only fourteen schools in Hawaii offered the advanced placement computer science course in 2015-2016 and only forty percent of schools offer computer programming courses, despite significant demand for such courses among students and the parents of students. This measure will align the computer science curricula in Hawaii's public schools more closely with the needs and interests of the State's students.

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 are in accord with the intent and purpose of S.B. No. 299 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Keith-Agaran).

SCRep. 281 (Joint) Education and Higher Education on S.B. No. 720

The purpose and intent of this measure is to appropriate monies to the Department of Kinesiology and Rehabilitation Science of the University of Hawaii for the concussion education and monitoring program for school athletics and youth athletic activities.

Your Committees received testimony in support of this measure from the Department of Education, Hawaii High School Athletic Association, Hawaii Athletic Trainers' Association, and one individual.

Your Committees find that concussions and other head injuries pose a significant risk to student and youth athletes. The damage from such an injury often becomes much more severe if the injury is not quickly and accurately recognized and the injured athlete returns to competition too soon. For this reason, it is vital for students and other youth in the State to have reliable information about concussions, and for student and youth athletes to be tested and monitored for possible concussions.

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 are in accord with the intent and purpose of S.B. No. 720 and recommend that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Keith-Agaran).

SCRep. 282 (Joint) Education and Commerce, Consumer Protection, and Health on S.B. No. 1190

The purpose and intent of this measure is to:

- (1) Expand the national board certification incentive program to provide monetary incentives to school psychologists; and
- (2) Authorize continuing bonuses for school psychologists in certain designated schools if the schools improve and no longer carry that designation.

Your Committees received testimony in support of this measure from the Hawaii Association of School Psychologists, Hawaii State Teachers Association, Hawaii Government Employees Association AFSCME Local 152, National Association of School Psychologists, and four individuals. Your Committees received comments on this measure from the Department of Education.

Your Committees find that highly qualified mental health providers play an important role in schools and facilitate the good mental health of students. The rigorous training, supervision, and testing required of school psychologists to obtain national certification is comparable to national teacher certification. Your Committees further find that Hawaii's public schools have a low retention rate for school psychologists, and many positions remain vacant for prolonged periods of time. This measure will provide incentives for highly qualified school psychologists to work in Hawaii's public schools.

As affirmed by the records of votes of the members of your Committees on Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1190 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 283 (Joint) Education and Commerce, Consumer Protection, and Health on S.B. No. 1286

The purpose and intent of this measure is to:

- (1) Narrow the scope of the private trade, vocational, and technical school licensure program within the Department of Education;

- (2) Establish a licensing fee to ensure the sustainability of the licensing program;
- (3) Establish a license renewal process and fee; and
- (4) Establish a private trade, vocational, and technical school licensure special fund.

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 Maui School of Therapeutic Massage, Maui Academy of Healing Arts, Pacific Center for Awareness and Bodywork, Hawaii Maritime License Center, Island Spirit School of Massage, Hawaii Institute of Hair Design, Mulken Landscaping and Nursery, and more than one hundred thirty individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and Department of Budget and Finance.

Your Committees find that private trade, vocational, and technical schools provide specialized training for a number of professions in the State, including those in massage therapy, health care, tax preparation, and maritime activities. These schools are prohibited from operating in Hawaii without being licensed, and licensure has been the responsibility of the Department of Education since 1939. In 1998, the purpose of this licensure was amended by Act 57, Session Laws of Hawaii 1998, to be protecting consumers from false, deceptive, misleading, and unfair practices, and to ensure adequate educational quality.

Your Committees further find that the Department of Education's primary mission is kindergarten to twelfth grade education, and does not include the provision of post-secondary institutions. As such, the Department of Education does not currently have the capacity or expertise in the specialized curricula of the various private trade, vocational, and technical schools currently under its licensing jurisdiction. For this reason, the current licensing framework for private trade, vocational, and technical schools in Hawaii is unsustainable.

Your Committees additionally find that many private trade, vocational, and technical schools rely on state licensure to fulfill accreditation requirements, facilitate collaboration and participation with entities and students from outside the State, and receive access to funding from a diverse variety of sources. Altering the scope of licensure and licensing fee to the degree presently in this measure would have a significant detrimental effect on many private trade, vocational, and technical schools that currently provide specialized training in Hawaii.

Your Committees have amended this measure by:

- (1) Expanding the purpose and source of funds of the private trade, vocational, and technical school licensure special fund;
- (2) Removing language limiting the type of private trade, vocational, and technical schools that must be licensed by the Department of Education and adding language to expand licensure to those schools that require licensure for compliance with federal regulations and accreditation requirements;
- (3) Changing the amount of licensure and license renewal fees to a blank amount;
- (4) Authorizing one permanent full-time equivalent position within the Department of Education to administer licensing of private trade, vocational, and technical schools and appropriating monies for that purpose;
- (5) 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 Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1286, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1286, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 284 Education on S.B. No. 686

The purpose and intent of this measure is to establish an education surcharge on residential investment properties and visitor accommodations for the purpose of funding public education.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Democratic Party of Hawaii, Hui for Excellence in Education, IMUAlliance, Hawaii Children's Action Network, Parents for Public Schools of Hawaii, Hawaii Alliance for Progressive Action, Hawaii Public Charter Schools Network, Hawaii Island School Garden Network, Special Education Advisory Council, Graduate Student Organization of the University of Hawaii at Manoa, Hawaii Democratic Party Labor Caucus, and more than one hundred seventy-five individuals. Your Committee received testimony in opposition to this measure from the Chamber of Commerce Hawaii, Building Industry Association of Hawaii, Rental by Owner Awareness Association, Hawaii Association of REALTORS, Coalition for Equal Taxation, Wyndham Vacation Ownership, American Resort Development Association, Hawaii Lodging and Tourism Association, and nine individuals. Your Committee received comments on this measure from the Office of the Mayor of the City and County of Honolulu, Tax Foundation of Hawaii, and one individual.

Your Committee finds that Hawaii's public schools are severely underfunded. When compared to other school districts of similar size, the State ranks two hundred twenty-seventh in per-pupil funding before adjusting for cost of living. This lack of adequate funding has resulted in classrooms overheating because of insufficient heat abatement measures and an inability to repair and renovate deteriorating facilities.

Your Committee further finds that Hawaii is facing a teacher shortage crisis that is primarily due to the State's public school teachers receiving low compensation packages. Studies indicate that Hawaii's beginning teacher salaries are approximately \$4,000

lower than the national average, and that teachers with ten to twenty years of experience have salaries that are \$15,000 to \$20,000 lower on average than their counterparts in comparable districts. This has led to an average of three hundred fifty-nine unfilled teaching positions in the Department of Education from 2011 to 2014, rising to five hundred thirty-one unfilled positions for the 2016-2017 school year.

Your Committee additionally finds that Hawaii is the only state that does not fund education through property taxes. A surcharge on investment properties and visitor accommodations will provide much needed funding for the State's public schools and bring Hawaii's education funding policy closer to other school districts of similar size. Upon ratification of a constitutional amendment to accomplish that objective, this measure will codify in statute the surcharge on residential investment properties and visitor accommodations.

Your Committee has amended this measure by:

- (1) Allowing a person who is eligible for a county homeowner's exemption on property tax who also owns more than one residential investment property to designate which investment property shall be exempt from the surcharge on investment property; and
- (2) Making 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. 686, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 686, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Riviere). Noes, none. Excused, 1 (Kahele).

SCRep. 285 (Joint) Housing and Education on S.B. No. 1146

The purpose and intent of this measure is to exempt new housing units within a one mile radius of the Honolulu rail transit line that are reserved for persons or families with incomes up to eighty percent of the area median income from school impact fee requirements.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority, Department of Planning and Permitting for the City and County of Honolulu, and Hui for Excellence in Education. Your Committees received testimony in opposition to this measure from the Building Industry Association of Hawaii. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation, Office of Planning, and IMUAlliance.

Your Committees find that a shortage of affordable housing exists in Hawaii. School impact fees can significantly raise the cost of new housing development projects. Your Committees further find that providing an exemption for housing developments near the Honolulu rail transit line for persons or families with incomes up to eighty percent of the area median income will help to promote the development of affordable housing in areas served by the expanding Honolulu mass transit network. Your Committees additionally find that this exemption could also incentivize affordable housing development in areas of Oahu outside the Honolulu rail transit corridor.

Your Committees have amended this measure by:

- (1) Expanding the exemption to affordable housing units on the island of Oahu; 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 Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1146, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1146, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

Education: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Kahele).

SCRep. 286 (Joint) Housing and Human Services on S.B. No. 436

The purpose and intent of this measure is to appropriate funds for establishing three specialty shelters to temporarily house and serve homeless individuals.

Your Committees received testimony in support of this measure from Hawaii Pacific Health, IMUAlliance, and two individuals. Your Committees received comments on this measure from the Office of the Governor and Department of Human Services.

Your Committees find that the need for specialty shelters has grown as the number of homeless persons in the State has increased. Homeless persons have few options to receive vital services such as home care, mental health stabilization, and recovery environments for substance use disorders once they leave an acute treatment environment. Specialty shelters can assist homeless persons with access to services and housing assistance. This measure will provide monies for additional specialty shelters.

As affirmed by the records of votes of the members of your Committees on Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 436 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 287 (Joint) Human Services and Education on S.B. No. 500

The purpose and intent of this measure is to:

- (1) Establish the R.E.A.C.H. (Resources for Enrichment, Athletics, Culture, and Health) program in the Office of Youth Services to provide a standardized framework and funding for after-school programs in public middle and intermediate schools;
- (2) Require the Office of Youth Services to report to the Legislature on program implementation and funding allocation;
- (3) Establish that the R.E.A.C.H. program will be run by a program specialist to be appointed by the Governor; and
- (4) Establish a special fund to receive fees and other monies to supplement the costs of administering and operating the R.E.A.C.H. program.

Your Committees received testimony in support of this measure from the Office of the Lieutenant Governor; Department of Education; Department of Education, Honolulu District Office; Office of Youth Services; State Public Charter School Commission; Hawaii Medical Service Association; Hawaii Youth Services; 'Ohana Health Plan; High Tech Youth Network; Hawaii Children's Action Network; Hawai'i Afterschool Alliance; Family Programs Hawaii; HE'E Coalition; and twenty-one individuals. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that after-school programming represents an upfront investment in Hawaii's youth, as after-school programs can improve attendance, behavior, and academic performance, while reducing the likelihood that youth will engage in risky behavior. Your Committees further find that the R.E.A.C.H. (resources for enrichment, athletics, culture, and health) initiative was established in March 2013 to develop a framework and funding base for after-school programs for public middle and intermediate school students throughout the State. Since its inception, the R.E.A.C.H. initiative has provided over \$2,250,000 in funding for after-school programs, including thirty-nine schools throughout all counties in the State, and has proven to be important to the future and welfare of the State as a whole.

Your Committees have amended this measure by:

- (1) Inserting findings that outline the responsibilities of the Department of Education's Community Engagement Office, including its responsibilities regarding the R.E.A.C.H. program;
- (2) Inserting language that establishes the R.E.A.C.H. program within the Community Engagement Office under chapter 302A, Hawaii Revised Statutes, rather than within the Office of Youth Services under chapter 352D, 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 Human Services and Education 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Education: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 288 (Joint) Human Services and Education on S.B. No. 1189

The purpose and intent of this measure is to:

- (1) Repeal the priority given by the preschool open doors program to children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because their birth date occurs after the kindergarten eligibility date; and
- (2) Clarify that the term "at-risk children", as used in determining priority for the preschool open doors program, is as defined in section 302L-1, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Executive Office on Early Learning, State Public Charter School Commission, Kamehameha Schools, and Hawaii Children's Action Network. Your Committees received testimony in opposition to this measure from the Parents for Public Schools of Hawai'i and one individual. Your Committees received comments on this measure from the Department of Human Services and Parents and Children Together.

Your Committees find that the preschool open doors program is Hawaii's school readiness program that provides critical subsidies for low to moderate income families sending their children to a licensed preschool to prepare them for kindergarten. By providing priority for underserved or at-risk children or children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because of their date of birth occurring after the eligibility date, the preschool open doors program creates short-term and long-term benefits for children, individuals, and society as a whole.

Your Committees have amended this measure by reinstating language that provides priority for the preschools open doors program to four-year-old children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because their birth date occurs after the kindergarten eligibility date.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1189, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1189, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

Education: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 289 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on S.B. No. 657

The purpose and intent of this measure is to allow rental car companies to collect from customers mandated government fees and amend the formula upon which those fees are assessed.

Your Committees received testimony in support of this measure from Hertz Global, Hilton Hawaii, Avis Budget Group, American Car Rental Association, Hawai'i Lodging & Tourism Association, Enterprise Holdings in Hawaii, and one individual. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Office of Consumer Protection.

Your Committees find that while the rental car industry is vitally important to Hawaii, rental car customers, who are predominantly tourists, should be made fully aware of all of the mandatory government taxes that are assessed on each rental car. According to testimony, thirty-eight states currently permit rental car companies to fully recover all government fees assessed upon a rental car.

Your Committees have amended this measure by:

- (1) Requiring lessors to inform lessees of all vehicle license recovery fees by displaying the fees on their website; printing the fees in the written contract; and if the lessee makes a reservation over the phone or in-person, verbally stating the fees to the lessee;
- (2) Inserting a definition of "vehicle license recovery fee" to mean any charge that seeks to recover the amount of any government assessed vehicle fees paid by a lessor; 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 Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 657, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 657, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (English).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 290 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on S.B. No. 359

The purpose and intent of this measure is to require drivers of taxicabs and transportation network drivers to display the general excise tax license inside their cars.

Your Committees received testimony in support of this measure from Charley's Taxi. Your Committees received testimony in opposition to this measure from Uber Technologies, Inc. Your Committees received comments on this measure from Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that while taxi companies are required to operate under a litany of regulations, transportation network company drivers have not bothered to comply with the most basic laws related to the legally required payment of the general excise tax. Requiring drivers to display the general excise tax license in a car encourages compliance with tax laws.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 359 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (English).

Commerce, Consumer Protection, and Health: Ayes, 5; Ayes with Reservations (Ihara). Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 291 (Joint) International Affairs and the Arts and Economic Development, Tourism, and Technology on S.B. No. 545

The purpose and intent of this measure is to create a temporary commission on the thirteenth Festival of Pacific Arts to plan for the historic event to be held in Honolulu from June 11 to June 27, 2020.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; Leeward Community College; The Leeward Theatre at the Leeward Community College; PA'I Foundation; Royal Hawaiian Center; Pacific Islanders in Communications; Kalihi Palama Hawaiian Civic Club; Island Agency NYC+HNL; and six individuals.

Your Committees find that the Festival of Pacific Arts is a landmark event that will highlight the unique art and culture of Hawaii. The festival brings together delegations from approximately twenty-seven Pacific island nations for events, activities, and performances. Through highlighting Hawaii's arts, culture, design, and music, the festival will help advance the State's commitment to creating global markets for creative entrepreneurs. Your Committees note that the recommended appropriation to create the temporary commission and to equip the commission for festival planning purposes is \$1,500,000.

Your Committees have amended this measure by:

- (1) Adding the President and Chief Executive Officer of the Hawaii Tourism Authority or the President's designee as a member of the commission;
- (2) Adding the Mayor of the City and County of Honolulu or the Mayor's designee as a member of the commission; 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 International Affairs and the Arts and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 545, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 545, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (Ihara).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 292 (Joint) International Affairs and the Arts and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 608

The purpose and intent of this measure is to appropriate funds to the State Foundation on Culture and the Arts to establish an arts in the military program.

Your Committees received testimony in support of this measure from the State of Hawaii Department of Defense, State Foundation on Culture and the Arts, and one individual.

Your Committees find that the State's large military community would benefit greatly from programing and partnerships with arts organizations. Your Committees further find that after-school arts programs, healing arts programs, performances on military bases, and participation in visual arts programing would make a significant contribution to the quality of life of the State's military community. Your Committees note that the recommended appropriation to establish the arts in the military program is \$200,000.

As affirmed by the records of votes of the members of your Committees on International Affairs 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. 608 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

International Affairs and the Arts: Ayes, 3. Noes, none. Excused, 2 (Ihara, Shimabukuro).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 293 International Affairs and the Arts on S.B. No. 1073

The purpose and intent of this measure is to appropriate funds to the State Foundation on Culture and the Arts to support the artist fellowship program which awards fellowships to promising artists.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts and two individuals.

Your Committee finds that the artist fellowship program provides one-time fellowships to local individuals in the areas of visual and performing arts. The fellowships create recognition and financial support for the artists. Your Committee further finds that the artist fellowship program contributes greatly to Hawaii's rich cultural landscape.

As affirmed by the record of votes of the members of your Committee on International Affairs and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Shimabukuro).

SCRep. 294 International Affairs and the Arts on S.B. No. 1074

The purpose and intent of this measure is to appropriate funds to the State Foundation on Culture and the Arts to provide support for the task force established to plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts, Center for Hawaiian Sovereignty Studies, and one individual.

Your Committee finds that the task force to plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol was established in 2016 for purposes of planning activities and events for the celebration. The current Hawaii State Capitol located at 415 South Beretania Street was dedicated on March 15, 1969. The festivities will take place from March 15, 2018, through March 15, 2019. Your Committee further finds that the funds appropriated will help the task force to coordinate and oversee the celebration.

As affirmed by the record of votes of the members of your Committee on International Affairs and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1074 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Shimabukuro).

SCRep. 295 (Joint) International Affairs and the Arts and Economic Development, Tourism, and Technology on S.B. No. 1125

The purpose and intent of this measure is to appropriate funds to the Department of Business, Economic Development, and Tourism to establish the State of Hawaii sister-state office in the State of Goa, Republic of India.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Indian American Friendship Council; Creative Cuisine; and fifty-three individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from one individual.

Your Committees find that in 2016, the Legislature established a sister-state relationship between the State of Hawaii and the State of Goa, Republic of India. Your Committees further find that establishing a sister-state office in the State of Goa will help promote trade, tourism, and cultural-exchange between the two states.

Your Committees have amended this measure by:

- (1) Adding language to require the Department of Business, Economic Development and Tourism to monitor trade, economic development, business partnerships, cultural exchange, and educational exchange in the Republic of India and the State of Goa and between the State of Goa and the State of Hawaii and to report its findings to the Legislature twenty days prior to the convening of the 2018 Regular Session; 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 International Affairs and the Arts and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1125, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1125, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (Ihara).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 296 (Joint) Commerce, Consumer Protection, and Health and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 223

The purpose and intent of this measure is to:

- (1) Authorize a naturopathic physician to prescribe controlled substances that are consistent with naturopathic medical practice; and
- (2) Clarify that narcotic drugs shall not be included within the naturopathic formulary.

Your Committees received testimony in support of this measure from the Board of Naturopathic Medicine, Hawaii Society of Naturopathic Physicians, and thirty-eight individuals. Your Committees received testimony in opposition to this measure from the Hawaii Medical Association, and one individual. Your Committees received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, and one individual.

Your Committees find that naturopathic physicians provide skilled and quality care to patients throughout the State. Although naturopathic physicians in Hawaii have the ability to prescribe many of the medicines commonly prescribed in family practice, they are unable to prescribe controlled substances. This measure therefore authorizes a naturopathic physician to prescribe controlled substances that are consistent with naturopathic medical practice, but specifies that narcotic drugs are not to be included within the naturopathic formulary.

Your Committees further find that the Board of Naturopathic Medicine suggested in testimony before your Committees that the prescriptive authority of controlled substances be limited to testosterone, a schedule III controlled substance that is consistent with the practice of naturopathic medicine. Your Committees agree with the suggestion of the Board of Naturopathic Medicine and conclude that amendments to this measure are necessary.

Your Committees have amended this measure by:

- (1) Clarifying that the prescriptive authority of controlled substances for naturopathic physicians is limited to testosterone;
- (2) Clarifying that naturopathic physicians who violate the Uniform Controlled Substances Act can face disciplinary 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 Commerce, Consumer Protection, and 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. 223, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 223, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 297 Commerce, Consumer Protection, and Health on S.B. No. 404

The purpose and intent of this measure is to:

- (1) Impose an excise tax on electronic smoking devices, disposable electronic smoking devices, reusable electronic smoking devices, and e-liquid sold by a wholesaler or dealer;
- (2) Require retailers to obtain a retail tobacco permit to sell, possess, keep, acquire, distribute, or transport cigarettes, tobacco products, electronic smoking devices, or e-liquid for retail sale;

- (3) Increase the license fee for wholesalers or dealers of cigarettes, tobacco products, electronic smoking devices, and e-liquid; and
- (4) Increase the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes, tobacco products, electronic smoking devices, and e-liquid.

Your Committee received testimony in support of this measure from the Department of Health, American Heart Association, Hawai'i Pacific Health, Hawai'i Public Health Institute, American Lung Association in Hawaii, Policy Advisory Board for Elder Affairs, Children's Action Network, University of Hawaii Student Health Advisory Council, and fifty-one individuals. Your Committee received testimony in opposition to this measure from PC Gamerz Hawaii, Cigar Rights of America, Hawaii Smoker's Alliance, Volcano Fine Electronic Cigarettes, Havana Club Honolulu, Dajuice Hawaii LLC, and forty-one individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Taxation, University of Hawai'i System, and Tax Foundation of Hawaii.

Your Committee finds that tobacco use remains a significant problem in Hawaii and nationwide, causing approximately 1,400 deaths per year among adults in the State. Research consistently shows that tobacco products are addictive and inherently dangerous, and cause many types of cancer, heart disease, and other serious illnesses. In addition to detrimental health effects, tobacco places a heavy burden on the State's healthcare system and economy.

Your Committee finds that the electronic smoking device industry is growing quickly, and is affecting the nation's youth at an alarming rate. According to a Surgeon General's report in 2016, e-cigarette use grew 900 percent among high school students between 2011 and 2015. Nationwide, more than 3,000,000 middle and high school students used e-cigarettes as of 2015. Your Committee heard testimony that, according to the 2015 Hawaii Youth Risk Behavior Survey, 25 percent of high school students in Hawaii report being regular e-cigarette users. Your Committee notes that the Surgeon General's report also found that ingestion of e-liquids containing nicotine can cause acute toxicity and possibly death.

Your Committee further finds that the State has a substantial interest in reducing the number of individuals of all ages who use tobacco products, and an especially strong interest in protecting Hawaii's youth from tobacco dependence and the health risks associated with tobacco use. Your Committee finds that imposing an excise tax on products such as cigarettes and other tobacco products has worked over the years to deter and prevent youth and young adults from initiating tobacco use. Your Committee notes that, currently, electronic smoking devices are the only tobacco product not taxed.

Your Committee has amended this measure by:

- (1) Deleting the definitions of "disposable electronic smoking device" and "reusable electronic smoking device" and all references to those terms because disposable electronic smoking device and reusable electronic smoking device are encompassed by the definition of "electronic smoking device", which is used throughout this measure;
- (2) Amending the definition of "electronic smoking device" to:
 - (A) Specify that hookah pipes included in the definition are electronic hookah pipes;
 - (B) Establish that the definition includes components of a device or related product that are used during the operation of the device; and
 - (C) Exclude battery or battery chargers that are sold separately;
- (3) Amending the definitions of "business location" or "place of business", "license", and "retail sale" or "tobacco retailing" in the cigarette tax and tobacco tax law chapter to include electronic smoking devices and e-liquid in the products sold or distributed;
- (4) Inserting language to specify that license and permit fees collected under the cigarette tax and tobacco tax law shall be used to cover administrative expenses, merchant education, legal signage, and the enforcement of tobacco sales laws;
- (5) Inserting language to include electronic smoking devices and e-liquid in the tax limitations that currently apply to cigarettes and tobacco products in certain cases;
- (6) Inserting an effective date of January 1, 2018, to allow the Department of Taxation adequate time to make necessary changes to Department forms and instructions to implement this measure; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 404, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 404, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (Chang, Kidani).

SCRep. 298 Commerce, Consumer Protection, and Health on S.B. No. 403

The purpose and intent of this measure is to ensure certain benefits under the federal Affordable Care Act are preserved under Hawaii law, including:

- (1) Preserving the individual health insurance mandate for taxpayers;
- (2) Requiring all health insurance entities, including health benefits plans under chapter 87A, HRS, to include ten essential health care benefits, plus additional contraception and breastfeeding coverage benefits;

- (3) Extending dependent coverage for adult children until the children turn twenty-six years of age;
- (4) Prohibiting health insurance entities from imposing a preexisting condition exclusion; and
- (5) Prohibiting health insurance entities from using an individual's gender to determine premiums or contributions.

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 Women's Coalition; Planned Parenthood Votes Northwest and Hawaii; American Association of University Women - Hawai'i; Hawaii Medical Association; Healthcare Association of Hawaii; Lanai Community Health Center; American Association of University Women - Windward Hawai'i Branch; Hawaii Section of the American Congress of Obstetricians and Gynecologists; Pacific Women's Indigenous Network; The Queen's Health Systems; Kaiser Permanente; Healthy Mothers Healthy Babies Coalition of Hawaii; YMCA O'ahu; Hawaii Children's Action Network; Hawaii Acupuncture and Oriental Medicine Association; AcuPlan Hawaii; Hawaii Early Childhood Action Strategy; Healthcare for All Hawaii Coalition; Americans for Democratic Action - Hawai'i; Breastfeeding Hawaii; March of Dimes Hawaii; Hawai'i Public Health Institute; League of Women Voters of Hawaii; International Longshore and Warehouse Union, Local 142; LGBT Caucus of the Democratic Party of Hawaii; and over one hundred fifty individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation, Department of Human Services, Department of Labor and Industrial Relations, Hawaii Medical Service Association, Hawai'i Association of Health Plans, Tax Foundation of Hawaii, and one individual.

Your Committee finds that the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) has resulted in an estimated 20,000,000 Americans gaining health insurance coverage. In Hawaii, 54,000 individuals gained insurance coverage, 560,000 individuals with pre-existing conditions could no longer be denied health insurance coverage, and over 630,000 individuals were able to access and benefit from a broad range of preventive services. Furthermore, approximately 33,000 residents of Hawaii now have insurance coverage due to the expansion of Medicaid under the Affordable Care Act. The Affordable Care Act established important protections for all Americans, and for women in particular. Under the Affordable Care Act, American women are now able to access preventive services, such as birth control and life-saving cancer screenings, with no copayments or deductibles. The repeal of the Affordable Care Act means American women could once again be charged higher premiums than men, simply on the basis of their gender, and pregnancy itself could again be considered a preexisting condition.

Your Committee further finds that the future of the Affordable Care Act is now uncertain. The new President and Congressional Republicans have taken the first steps toward the President's campaign promise to repeal and replace the Affordable Care Act. However, the repeal of the Affordable Care Act will have widespread ramifications. Without the Affordable Care Act, it is estimated that 20,000,000 people will lose access to health insurance across the country. Lack of access to health insurance will negatively affect the health of patients who lose their coverage but will also further strain the health care system in the State. Furthermore, a repeal of the Affordable Care Act will likely destabilize the individual marketplace, based on factors such as a loss of subsidies, elimination of the requirement to buy health insurance, and elimination of the requirement that insurers sell to all consumers are all potential contributing factors that would destabilize the individual insurance market.

Your Committee concludes that, due to the uncertainty over the Affordable Care Act, it is important to preserve certain important aspects of the Act for Hawaii residents. Accordingly, this measure mandates all health insurance entities in the State to cover the ten essential health care benefits, requires extended coverage for dependent children, and prohibits preexisting condition exclusions and premium or contribution requirements based on gender. This measure also preserves the individual mandate provisions of the Affordable Care Act, which requires individuals to maintain health insurance coverage throughout the year or pay a penalty. Your Committee notes the importance of this mandate, as lack of such a requirement may result in healthier individuals dropping their health insurance coverage, which would cause an adverse selection problem and increase in overall health insurance costs.

Your Committee has heard the concern that although this measure preserves the individual mandate from the Affordable Care Act, it does not provide tax credits to help individuals and families afford their health insurance premiums. Your Committee understands these concerns and notes that the Department of Taxation has provided your Committee with language related to the tax credits to add to this measure.

Your Committee has amended this measure by:

- (1) Updating the minimal essential coverage mandate, based on amendments suggested for clarity by the Department of Taxation;
- (2) Permitting each qualified taxpayer to claim a qualified health plan coverage income tax credit, equal to an unspecified percentage of the actual cost paid or incurred by a qualified taxpayer during a taxable year to purchase minimum essential coverage for the taxpayer or the taxpayer's spouse or dependents;
- (3) Clarifying that the contraceptive coverage includes gender neutral contraception coverage, including all federal Food and Drug Administration-approved contraceptive methods, sterilization procedures, and patient education and counseling;
- (4) Clarifying that breastfeeding coverage includes support, counseling, and equipment, for the duration of breastfeeding;
- (5) Prohibiting health insurance entities from discriminating with respect to participation against a health care provider acting within the scope of that provider's license or certification;
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion and inserting a five-year sunset date on the individual mandate requirement; 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, Consumer Protection, and Health 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 299 Commerce, Consumer Protection, and Health on S.B. No. 1238

The purpose and intent of this measure is to establish and make an appropriation for a two-year temporary patient navigation program based at Moloka'i General Hospital for patients with chronic disease in medically underserved rural communities.

Your Committee received testimony in support of this measure from the Department of Health, Molokai General Hospital, The Queen's Health Systems, 'Ahahui o nā Kauka (Association of Native Hawaiian Physicians), Hawai'i Public Health Institute, 'Imi Hale Native Hawaiian Cancer Network, and two individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that it is important that Hawaii residents living in rural communities such as the Island of Moloka'i have access to timely medical care. Your Committee further finds that the State is committed to providing quality healthcare services to Native Hawaiians, and recognizes that Native Hawaiians have higher morbidity and mortality rates for diabetes, cardiovascular disease, and cancer.

Your Committee additionally finds that patient navigation utilizes evidence-based practices in cancer and other chronic disease care that assist patients through complex healthcare systems to ensure timely diagnosis and treatment and address potential barriers to care. Moloka'i General Hospital began using patient navigation services in 2006 and has demonstrated increases in cancer screening rates and effective care coordination for cancer patients who are referred off-island to cancer treatment care. Your Committee finds that Moloka'i General Hospital is a rural healthcare facility that understands the value of coordinated care for patients in need of specialty services and the unique challenges of accessing care in an island state.

Your Committee has amended this measure by:

- (1) Inserting a blank appropriation amount;
- (2) Inserting language to appropriate the funds as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Moloka'i General Hospital for the patient navigation program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that although the appropriation amount has been removed, the recommended appropriation for the two-year temporary patient navigation program based at Moloka'i General Hospital is \$200,000 per fiscal year.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 300 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 944

The purpose and intent of this measure is to make an appropriation to the Department of Budget and Finance for collective bargaining cost items related to the transition of the operation of Maui regional hospitals to Maui Health Systems.

Your Committees received testimony in support of this measure from the Department of Budget and Finance; Hawaii Health Systems Corporation; United Public Workers, AFSCME, Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees find that the transition of the operations of the Maui regional hospitals was approved by the Legislature pursuant to Act 103, Session Laws of Hawaii 2015, and a subsequent transfer agreement was approved by the Governor, Maui Region Board of Directors, Hawaii Health Systems Corporation, and Kaiser Foundation Hospitals on January 14, 2016. To facilitate a smooth transition of affected Maui regional hospital employees to employment with Maui Health Systems, a Kaiser Hospital, this measure will ensure that operations will not be negatively impacted and the health care of the community will not be compromised.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 944, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 944, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 301 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 342

The purpose and intent of this measure is to prohibit the shipment of certain tobacco products purchased through the Internet or by mail order to anyone other than licensed wholesalers or dealers or retailers with a valid retail tobacco permit.

Your Committees received testimony in support of this measure from the Department of Health, American Heart Association, Hawai'i Public Health Institute, University of Hawaii Student Health Advisory Council, American Cancer Society Cancer Action Network, and seven individuals. Your Committees received testimony in opposition to this measure from Cigar Rights of America, Hawaii; Hawaii Cigar Association; Kauai Cigar Company; Volcano Fine Electronic Cigarettes; Sub Ohm Vapes, LLC; and thirty-two individuals. Your Committees received comments on this measure from the Department of Taxation, Department of the Attorney General, and one individual.

Your Committees find that the harmful effects of tobacco use are well established and that electronic smoking devices are now considered tobacco products under the Federal Food, Drug, and Cosmetic Act. Your Committees further find that a recent and alarming public health concern is the extremely high number of youth that are using electronic smoking devices. Electronic smoking devices are now the most commonly used tobacco product among youth in the nation and in Hawaii, with retail and online sales of electronic smoking devices projected to reach \$10,000,000,000 in 2017.

Your Committees also find that legislation to prohibit the sale of tobacco products has specifically focused on preventing youth access and initiation of tobacco use, and has addressed face-to-face transactions. The acceleration of online tobacco product sales, however, has created a dangerous loophole, undermining efforts to protect public health and providing an appealing option for underage smokers as they can easily circumvent the age verification process for purchasing tobacco through the unregulated online market.

Your Committees note the testimony submitted by the Department of the Attorney General related to the penalty imposed by this measure, suggesting that declaring violations of the prohibition on the remote sale and distribution of cigarettes and tobacco products to be a class C felony subject to a maximum fine of \$5,000 does not align with the penalties established in the penal code for class C felonies. Your Committees find that this concern deserves consideration and merits further discussion.

Your Committees have amended this measure by:

- (1) Amending the penalty section to specify that each shipment, instead of each distribution, that violates or fails to comply with the unlawful transport of tobacco products ordered through remote sale shall be a separate and distinct violation; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 342, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 342, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 302 Government Operations on S.B. No. 1170

The purpose and intent of this measure is to:

- (1) Require certain audits and studies enacted with a legislative appropriation to be submitted to the clerk of each house, presiding officers of each house, and chairs of the appropriate subject matter committee of each house; and
- (2) Require a public hearing or informational briefing on certain audits and studies enacted with a legislative appropriation within one year of receipt of the report unless the requirement is waived.

Your Committee received testimony in support of this measure from the Office of Auditor; United Public Workers, AFSCME, Local 646, AFL-CIO; and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources and Department of Budget and Finance.

Your Committee finds that studies and audit reports required by legislative action often go unexamined and unnoticed, while the reports may contain valuable information that deserves a forum to be appropriately reviewed and considered. Your Committee finds that requiring a public hearing or informational briefing on certain studies and audit reports funded by legislative appropriation is reasonable to ensure the fiscal accountability of appropriating funds to conduct such studies and reports.

Your Committee has amended this measure by:

- (1) Clarifying that studies and audits enacted in a budget measure or with a legislative appropriation are subject to the hearing requirement;
- (2) Clarifying that subject matter committee chairs of the respective study or audit are the persons to receive the study or audit;
- (3) Providing a mechanism for an extension of time to hold a public hearing or informational briefing on the studies and audits; 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1170, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1170, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 303 Government Operations on S.B. No. 628

The purpose and intent of this measure is to:

- (1) Require vacancies on any board or commission to be promptly reported to the Governor;
- (2) Require the Governor to keep a listing of all boards and commissions, including certain information regarding each board or commission; and
- (3) Appropriate funds to the Office of the Governor for one full-time equivalent position to manage the listing of all information on boards and commissions.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that state boards and commissions are an integral component of shaping the quality of life for the people of Hawaii. There are more than one hundred seventy boards and commissions established under state law, and no central clearinghouse where pertinent information regarding board composition, vacancies, and other vital information is maintained. Your Committee finds that monitoring and tracking this information is essential for efficient government operations and filling vacancies in a timely manner without any disruption to the roles and responsibilities of boards and commissions in state government.

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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 628, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 304 Government Operations on S.B. No. 312

The purpose and intent of this measure is to clarify public agency meetings and record requirements by:

- (1) Requiring board packets to be available for public inspection, including electronically available if feasible;
- (2) Requiring notice of certain emergency meetings;
- (3) Clarifying electronic notification requirements; and
- (4) Requiring electronic posting of board minutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Society of Professional Journalists Hawaii Chapter, League of Women Voters of Hawaii, Civil Beat Law Center for the Public Interest, Common Cause Hawaii, and three individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Office of Information Practices, Hawaii Community Development Authority, and Liquor Commission of the City and County of Honolulu.

Your Committee finds that the people of Hawaii are best served by increased government transparency, understanding, and participation. Your Committee finds that modernizing the Sunshine Law to include electronic postings and communication will increase public access to valuable information regarding public agency meetings. Your Committee further finds that increasing access to board materials via the accessibility of board packets will allow for more meaningful public testimony at meetings, and further increase the quality of public participation in civic life.

Your Committee has amended this measure by:

- (1) Requiring that oral testimony at open meetings be allowed for each agenda item separately and at the time the item is first brought up for discussion at the meeting;
- (2) Requiring a written summary to accompany any minutes that are electronically posted in a digital or analog recording format;
- (3) Allowing minutes to be electronically posted in draft form to meet the thirty-day requirement;
- (4) Inserting an effective date of January 1, 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 Government Operations 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 Second Reading in the form attached hereto as S.B. No. 312, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 305 Government Operations on S.B. No. 100

The purpose and intent of this measure is to:

- (1) Require the Department of Taxation (DOTAX) to provide access of tax records to the Auditor to conduct the reviews, and permits the Auditor to include certain data received from DOTAX in a report to the Legislature;
- (2) Clarify the review criteria the Auditor shall apply in review of an exemption, exclusion, or credit;
- (3) Delay the Auditor review schedules required pursuant to Act 245, Session Laws of Hawaii 2016, and Act 261, Session Laws of Hawaii 2016, by one year;
- (4) Add the organic foods production income tax credit to the Auditor review schedule; and
- (5) Appropriate funds to the Auditor for the required reviews.

Your Committee received testimony in support of this measure from the Office of Auditor. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that delaying the Auditor review schedule is necessary due to the tax system modernization project underway at DOTAX and the unavailability of certain tax incentive data. Your Committee finds that the completed reviews will yield more relevant, meaningful, and accurate results if delayed for one year. Your Committee also finds that it is necessary to clarify the information available to the Auditor in performance of the reviews.

Your Committee has amended this measure by:

- (1) Clarifying the types of information the Auditor may include in a report to the Legislature;
- (2) Clarifying that information marked confidential by DOTAX shall be kept confidential by the Auditor and Legislature;
- (3) Requiring a status report to the Legislature on the Auditor reviews required pursuant to Act 245, Session Laws of Hawaii 2016, and Act 261, Session Laws of Hawaii 2016; 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 100, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 100, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 306 Government Operations on S.B. No. 1280

The purpose and intent of this measure is to establish additional performance bond requirements for surety and bond companies under the Hawaii Public Procurement Code.

Your Committee received testimony in support of this measure from the State Procurement Office, Electrical Contractor's Association of Hawai'i, Ironworkers Stabilization Fund, and Subcontractors Association of Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii Captive Insurance Council and Risk Solution Partners, LLC. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that establishing additional requirements for surety companies serves to further uphold the integrity of the Hawaii Public Procurement Code, and provides financial protection to the State and its taxpayers.

Your Committee has amended this measure by:

- (1) Removing language that inadvertently changed the purpose of performance bonds;
- (2) Clarifying that the new bond requirements apply to performance bonds and payment bonds;
- (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 Government Operations 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 your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 307 Government Operations on S.B. No. 1069

The purpose and intent of this measure is to:

- (1) Require public works construction bids to list joint contractors and subcontractors only when the total estimated contract value is \$1,000,000 or greater; and
- (2) Permit bids lacking joint contractor and subcontractor lists to be accepted if it is in the best interest of the State and the value of the joint contractor or subcontract work is equal to or less than five percent of the total bid amount.

Your Committee received testimony in support of this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu and the General Contractors Association of Hawaii. Your Committee received testimony in opposition to this

measure from the Department of Accounting and General Services, Electrical Contractor's Association of Hawai'i, Ironworkers Stabilization Fund, Plumbing and Mechanical Contractors Association of Hawaii, and Subcontractors Association of Hawaii. Your Committee received comments on this measure from the State Procurement Office.

Your Committee finds that requiring the listing of joint contractors and subcontractors for all public works construction projects may result in unnecessary bid protests, award delays, and increased project costs. Such circumstances often lead to inefficiencies in completing public work projects. Your Committee supports placing limits on the public works construction bids that require joint contractor and subcontractor listings, however it further finds that the contract value threshold and joint contractor and subcontractor work percentage threshold in this measure deserves further attention and study as it advances through the legislative process.

Your Committee has amended this measure by:

- (1) Removing the \$1,000,000 contract value threshold and inserting a blank amount for situations when public works construction bids must list joint contractors and subcontractors;
- (2) Removing the five percent threshold and inserting a blank percent for situations when the total bid value that the joint contractor or subcontractor work must be less than for the bid to be acceptable without listing joint contractors and subcontractors;
- (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 Government Operations 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 308 Government Operations on S.B. No. 1070

The purpose and intent of this measure is to prohibit bid shopping and bid peddling in the competitive sealed bidding process.

Your Committee received testimony in support of this measure from the General Contractors Association of Hawaii, Ironworkers Stabilization Fund, and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received testimony in opposition to this measure from the Electrical Contractor's Association of Hawai'i, Subcontractors Association of Hawaii, and one individual. Your Committee received comments on this measure from the State Procurement Office, Department of Accounting and General Services, Department of Commerce and Consumer Affairs, and Contractors License Board.

Your Committee finds that efforts should be made to deter the possibility of bid shopping and bid peddling in the competitive sealed bidding process, and permitting injured subcontractor-plaintiffs to recover monetary damages from prime contractors and substituted subcontractors would discourage this unscrupulous practice and protects State interests.

Your Committee also finds that the competitive sealed bidding process can be improved by providing additional time for bidders to clarify and correct subcontractor information required in the bids, as proposed in S.B. No. 1067, Regular Session of 2017 (S.B. 1067). Your Committee finds that this minor adjustment may minimize bid challenges, costs, and delays of public works projects while maintaining the integrity of the bid process. As such, your Committee has incorporated the language of S.B. 1067 into this measure.

Your Committee has amended this measure by:

- (1) Inserting a provision allowing bidders two hours after bid closing to clarify and correct subcontractor information;
- (2) Providing that bids for construction shall be opened no sooner than two hours after bid closing;
- (3) Removing the burden on prime contractors and substituted contractors to prove bid shopping or bid peddling did not occur;
- (4) Clarifying that a substituted contractor shall not be entitled to damage from the government entity that issued the invitation for bids;
- (5) Clarifying and limiting the reasons that a substitution of a listed subcontractor may be allowed;
- (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 Government Operations 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 your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 309 (Joint) Government Operations and Judiciary and Labor on S.B. No. 719

The purpose and intent of this measure is to require the Governor to prepare a deferred maintenance plan to gradually eliminate the deferred maintenance costs of state-owned buildings, facilities, and other improvements; submit an initial plan to the Legislature for the fiscal biennium 2019-2021 and prepare annual updates thereafter; and to impose the same requirements on the Chief Justice for buildings, facilities, and other improvements owned by the Judiciary.

Your Committees received comments on this measure from the Department of Accounting and General Services and the Judiciary.

Your Committees find that the extent of deferred maintenance backlog of state buildings, facilities, and other improvements is substantial. Your Committees further find that a deferred maintenance plan is necessary to preserve these buildings, facilities, and other improvements for public use in the most economically efficient and transparent manner possible.

As affirmed by the records of votes of the members of your Committees on Government Operations and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 719 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 310 (Joint) Government Operations and Human Services and Commerce, Consumer Protection, and Health on S.B. No. 149

The purpose and intent of this measure is to:

- (1) Repeal the requirement that all applicants for procurement contracts for health and human services possess all licenses necessary to conduct the subject business; and
- (2) Repeal the requirement that all contracts for health and human services include only costs, fees, and taxes reflected on the face of the proposal.

Your Committees received testimony in support of this measure from the Department of Human Services, State Procurement Office, and Department of Health. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the original intent of this law is no longer being served because its implementation has resulted in an overly restricted fair marketplace which has chilled healthy business competition amongst qualified health and human services providers. Thus, your Committees feel that the repeal of this law is necessary for the efficient processing of contracts for health and human services.

As affirmed by the records of votes of the members of your Committees on Government Operations, Human Services, and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 149 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 311 (Joint) Government Operations and Commerce, Consumer Protection, and Health on S.B. No. 885

The purpose and intent of this measure is to provide the Comptroller the option to hire an insurance broker on a fixed fee for services basis.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that providing the Comptroller with the option to hire an insurance broker on a fixed fee for service basis rather than the current commission basis will result in better value to the public through lower costs of acquiring and insuring State property and liability risks. Your Committees also find that the current arrangement of the state insurance broker being compensated on a commission basis by the insurance companies from which the State purchases insurance could present a conflict of interest or at minimum the appearance of a conflict of interest.

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 Government Operations and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 885, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 885, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 312 (Joint) Higher Education and Commerce, Consumer Protection, and Health on S.B. No. 1164

The purpose and intent of this measure is to advance the mental health treatment of students at the University of Hawaii at Manoa by establishing and funding three full-time psychologist positions and one full-time case manager position.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Counseling and Student Development Center at the University of Hawaii at Manoa, Associated Students of the University of Hawaii at Manoa, and eight individuals.

Your Committees find that in recent years there has been a significant increase in the number of college students requesting mental health services, and that college students are increasingly presenting with severe and complex psychological problems. These trends have incited national alarm and are of concern for students and universities in Hawaii as well.

Your Committees recognize the growing demand for psychological services and the need for specialized expertise in working with traditional and non-traditional college students. Your Committees find that the University of Hawaii at Manoa has only seven and one-half tenured track psychologist positions even though average enrollment is twenty thousand students and the national guideline is one licensed psychologist for every one thousand to one thousand five hundred students. Your Committees further find that students should not have to wait up to two and a half weeks for an appointment at the University's counseling and student development center when the student is suffering from mental health symptoms. This measure will help students get the mental health services they need on a timely basis.

As affirmed by the records of votes of the members of your Committees on Higher Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1164 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

SCRep. 313 (Joint) Higher Education and Commerce, Consumer Protection, and Health on S.B. No. 735

The purpose and intent of this measure is to fund the Hawaii health corps program under the John A. Burns School of Medicine at the University of Hawaii at Manoa to provide loan repayment for physicians, physician assistants, nurse practitioners, psychologists, and social workers who agree to work in a federally designated health professional shortage area or an area of Hawaii found to be underserved.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, University of Hawai'i System, Hawai'i State Center for Nursing, Hawaii Medical Association, AlohaCare, 'Ohana Health Plan, Lāna'i Community Health Center, Hawaii Medical Service Association, Hawai'i Pacific Health, Hawai'i Academy of Family Physicians, and sixteen individuals.

Your Committees find that Hawaii is facing a shortage of over five hundred doctors, and that this shortage threatens the health of Hawaii residents and cumulatively affects the State's healthcare costs. Your Committees further find that access to care in rural and underserved areas of Hawaii and in underserved populations such as the native Hawaiian population is especially concerning, as these areas have been the most significantly affected by the shortage of primary and behavioral healthcare providers.

Your Committees recognize the increasingly high education costs for healthcare professionals and the need for the State to make efforts to attract healthcare professionals to practice in Hawaii. The average medical student debt for indebted graduates is \$160,000, and debt plays a large role in career decisions which subsequently impacts the supply of the State's physicians. Your Committees find that medically underserved populations also find it hard to compete with higher paying specialty positions that are usually found in urban areas.

As affirmed by the records of votes of the members of your Committees on Higher Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 735 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

SCRep. 314 Higher Education on S.B. No. 676

The purpose and intent of this measure is to promote access and diversity throughout the University of Hawaii System by appropriating funds to the University's Pamantasan Council for six full-time positions, including instructional faculty, student personnel, and graduate assistantships.

Your Committee received testimony in support of this measure from the University of Hawai'i System; University of Hawai'i Pamantasan Council; National Federation of Filipino American Associations Region 12; Filipino American Citizens League; Hawaii Friends of Civil Rights; Nursing Advocates and Mentors, Inc.; Graduate Student Organization at the University of Hawai'i at Mānoa; Sinai National High School Alumni Association of Hawaii; and seventeen individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that despite the strong representation of Filipinos in Hawaii's general population and in Department of Education schools, students of Filipino ancestry are underrepresented in the University of Hawaii System. According to the 2010 United States Census, people of Filipino ancestry are the second largest ethnic group in Hawaii, yet Filipino students comprise only twelve percent of the entire University of Hawaii System student population.

Your Committee further finds that the word "Pamantasan" is a Filipino word meaning "higher education". The Pamantasan Council was established in 1987 and is open to all students, administrators, faculty, and staff from the various University of Hawaii campuses. Your Committee notes that in 2008, the Legislature adopted Senate Concurrent Resolution No. 120, requesting the University of Hawaii and Department of Education to submit a report to the legislature on a plan to develop, offer, and expand Philippine language courses at public schools and University of Hawaii campuses. Your Committee finds that the Pamantasan Council needs resources to implement the recommendations of the report that resulted from the 2008 Senate Concurrent Resolution, as well as to ensure adequate faculty, student service personnel, lecturer, graduate assistants, and student staff. Additional resources will also allow the Pamantasan

Council to engage in substantive discussions with community groups, private organizations, and state agencies to improve the status of Filipino education at the University of Hawaii and Department of 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 is in accord with the intent and purpose of S.B. No. 676 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 315 (Joint/Majority) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 501

The purpose and intent of this measure is to ensure that women in Hawaii are able to make personal reproductive health decisions with full and accurate information regarding their rights to access the full range of healthcare services that are available.

Your Committees received testimony in support of this measure from Hawaii State Commission on the Status of Women, Planned Parenthood Votes Northwest and Hawaii, American Congress of Obstetricians and Gynecologists, LGBT Caucus of the Democratic Party of Hawai'i, Hawaii Women's Coalition, National Women's Political Caucus Hawaii Chapter, Young Progressives Demanding Action, and seventeen individuals. Your Committees received testimony in opposition to this measure from the Aloha Pregnancy Care and Counseling Center, Hawaii Family Forum, Calvary Chapel Pearl Harbor, A Place for Women in Waipio, Hawaii Federation of Republican Women, Malama Pregnancy Center of Maui, Hawaii Catholic Conference, Pearson Foundation of HI, Inc., Hawaii Life Alliance, Aloha Pregnancy Center, and thirty-three individuals. Your Committees received comments on this measure from the Department of Health and Department of Human Services.

Your Committees find that anyone seeking healthcare should receive comprehensive, accurate, unbiased information in a confidential setting, and that reproductive healthcare is no different. When women are fully informed, they can better make the best decisions for themselves and their health. Your Committees further find that regardless of where a woman seeks information about reproductive health, she should receive information about the full range of options, including how to obtain health insurance coverage should she be uninsured.

Your Committees also find that thousands of women in the State are in need of publicly-funded family planning services, contraception services and education, abortion services, prenatal care, and birth-related services. In Hawaii, low-income women can receive immediate access to free or low-cost comprehensive family planning services and pregnancy-related care through Med-QUEST and the Department of Health's family planning program. Your Committees find, however, that many women remain unaware of the public programs available to provide them with family planning and pregnancy-related services.

Your Committees appreciate the abundance of testimony submitted on this measure. Your Committees have heard the concerns expressed regarding this measure, and note that the measure does not require limited pregnancy centers to change the services that they provide. Because family planning decisions are time sensitive and early care in pregnancy is important, the State must make every effort possible to advise women of all available reproductive health programs.

Your Committees have amended this measure by:

- (1) Adding language to the definition of "limited service pregnancy center" or "center" to specify that these centers do not include centers that are contracted providers with a Medicaid health plan;
- (2) Amending the notice language that limited service pregnancy centers are required to disseminate on site by:
 - (A) Inserting language indicating that the clinic does not provide abortion services or abortion referrals, and providing information that only ultrasounds performed by qualified healthcare professionals and read by licensed clinicians should be considered medically accurate; and
 - (B) Removing language that directed individuals to contact appropriate Med-QUEST division eligibility offices to determine whether they qualify for free or low-cost family planning services and replacing it with language indicating that individuals should apply on-line at mybenefits.hawaii.gov for medical insurance coverage; 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, Consumer Protection, and 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. 501, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 501, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Judiciary and Labor: Ayes, 3. Noes, 1 (Gabbard). Excused, 1 (Kim).

SCRep. 316 Education on S.B. No. 688

The purpose and intent of this measure is to prohibit persons from interfering with or disrupting the orderly operation, safety, or peaceful conduct of a school or school-related activity.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and IMU Alliance. Your Committee received testimony in opposition to this measure from the Police Department of the City and County of Honolulu and American Civil Liberties Union of Hawaii.

Your Committee finds that a secure learning environment is vital to the safety of Hawaii's students. Your Committee further finds that dangerous criminal activity near schools, including solicitation of drugs and the illicit trafficking of children, is a significant

problem in some areas of the State. This measure will empower schools to more effectively protect their students from potentially dangerous persons near the schools.

Your Committee additionally finds that this measure should not be construed to prohibit any activities that are protected under the Constitution of the United States.

As such, your Committee has amended this measure by adding language clarifying that activities that are protected under the Constitution of the United States are not prohibited.

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. 688, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 688, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 317 Education on S.B. No. 1101

The purpose and intent of this measure is to:

- (1) Allow, in cases where the Department of Education directly expends its own funds for disaster relief, to be directly credited with any federal disaster relief reimbursement; and
- (2) Clarify that the Department of Education may carry over funds received as a disaster relief appropriation or reimbursement.

Your Committee received testimony in support of this measure from the Department of Education. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that disaster relief expenditures are generally made from State Department of Defense appropriations or other specific appropriations made for such a purpose. Your Committee further finds that in the event of an emergency, the Department of Education may expend funds appropriated for other purposes to provide disaster relief. Your Committee additionally finds that there is no existing mechanism for reimbursing the Department of Education for funds expended for emergency disaster relief. This measure will provide assurance that funds expended by the Department of Education for emergency disaster relief will be reimbursed so the Department may use such funds for their original intended purpose.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 318 Education on S.B. No. 224

The purpose and intent of this measure is to:

- (1) Establish licensure and registration requirements for school psychologists to be administered by the Board of Psychology; and
- (2) Amend the composition of the Board of Psychology to include two school psychologists.

Your Committee received testimony in support of this measure from the Hawaii Association of School Psychologists and five individuals. Your Committee received comments on this measure from the Department of Education, Department of Commerce and Consumer Affairs Vocational Licensing Division, Department of Commerce and Consumer Affairs Regulated Industries Compliance Office, and Board of Psychology.

Your Committee finds that school psychologists can provide direct educational and mental health services for children and youth, as well as working with parents, educators, and other professionals to create supportive learning and social environments for all children. Your Committee further finds that Hawaii is the only state in which school psychologists are not required to be licensed in order to practice in an educational setting. Your Committee additionally finds that this lack of a licensure requirement has made it possible for individuals to practice as school psychologists who are not fully qualified to practice in an educational setting. This measure will ensure that persons who practice school psychology are qualified to provide the services that Hawaii's students need.

Your Committee has amended this measure by:

- (1) Adding language clarifying that "practice of school psychology" does not include private practice; and
- (2) Making 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. 224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 224, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 319 Education on S.B. No. 1188

The purpose and intent of this measure is to:

- (1) Establish a STEM educator scholarship program to be administered by the Department of Education to address the shortage of STEM teachers in secondary schools in Hawaii; and
- (2) Appropriate monies to fund the scholarship program.

Your Committee received testimony in support of this measure from six individuals. Your Committee received comments on this measure from the Department of Education and University of Hawaii System.

Your Committee finds that Hawaii has been experiencing teacher shortages over the last several years. Your Committee further finds that the teacher shortage extends to many educational areas, including but not limited to STEM, special education, career and technical education, Hawaiian language immersion, English and reading, multilingual education, and hearing impaired education. This measure will help new teachers complete their training and begin teaching Hawaii's students by providing them with financial assistance.

Your Committee has amended this measure by:

- (1) Changing the scholarship program to a stipend program;
- (2) Broadening the program to apply to students enrolled in a state approved teacher education program rather than just a STEM-related program;
- (3) Inserting language establishing a special fund for the stipend 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. 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 320 Education on S.B. No. 1100

The purpose and intent of this measure is to:

- (1) Require the Department of Education to set a standard for retention of student records of not less than one hundred years; and
- (2) Allow the Department of Education to partner with the Hawaii correctional industries program to establish a three-year student records modernization pilot project.

Your Committee received testimony in support of this measure from the Department of Education and two individuals.

Your Committee finds that the Department of Education is required to maintain student records for a variety of purposes, but that no uniform standard exists for the length of time that records must be maintained. Your Committee further finds that schools within the Department of Education vary significantly in how long they maintain student records and the manner in which student records are stored. This measure will specify the minimum amount of time that student records must be maintained and further develop options to modernize the way schools store student records.

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. 1100 and recommends that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 321 Education on S.B. No. 1287

The purpose and intent of this measure is to exempt extracurricular service of employees from the State Ethics Code if certain conditions are met.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and IMUAlliance. Your Committee received testimony in opposition to this measure from the Hawaii State Ethics Commission and League of Women Voters of Hawaii.

Your Committee finds that extracurricular educational activities, including school-sponsored trips, are extremely valuable to the State's students. Your Committee further finds that teachers in Department of Education schools are not compensated or reimbursed for extracurricular activities. Your Committee additionally finds that many teachers in Hawaii are unable to donate time and resources to extracurricular activities in light of nationally low teacher compensation in the State. Your Committee also finds that outside sponsorship and other resources are available that could enable teachers to make extracurricular activities more available to students, but that these resources are unavailable due to potential conflicts with the State Ethics Code. This measure will exempt extracurricular services of all state employees from the State Ethics Code under certain conditions.

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. 1287 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 322 Education on S.B. No. 1305

The purpose and intent of this measure is to:

- (1) Establish the vocational education out-of-school program and vocational education special fund; and
- (2) Appropriate monies to implement the vocational education out-of-school program.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, IMUAlliance, and two individuals. Your Committee received comments on this measure from the Department of Education and Department of Budget and Finance.

Your Committee finds that a significant gap exists in Hawaii between the skills that are abundant in the workforce and the skills that employers demand in new personnel. In 2013, ninety-two percent of top executives surveyed said that there was a job skills gap amongst applicants, and that a lack of qualified local applicants resulted in employers hiring workers from outside the State or leaving positions unfilled for prolonged periods of time. Your Committee further finds that a majority of all current job openings are for positions that do not require a college degree, although many require significant technical or vocational skills. This measure will allow Hawaii's students to enter the workforce with skills that are in high demand by potential employers by providing out-of-school vocational education opportunities at public schools 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 is in accord with the intent and purpose of S.B. No. 1305 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 323 Education on S.B. No. 423

The purpose and intent of this measure is to prohibit denying a student a meal for the first:

- (1) Thirty days of the first semester of a school year while the student's application for free or reduced lunch is being processed;
or
- (2) Week that the student's meal fund balance is zero or negative.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Hawaii Children's Action Network, Hawaii Applesed Center for Law and Economic Justice, and eighteen individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that forty-seven percent of public school students in Hawaii qualify for the Department of Education's free and reduced lunch program. Your Committee further finds that gaps in coverage for individual students in the program can arise due to delays in processing applications or the financial situation of the student's family. Your Committee additionally finds that chronically hungry students suffer significant hardship compared to their classmates, and can experience achievement gaps, concentration loss, illness, increased absenteeism, behavioral problems, depression, and misdiagnosed learning disorders. This measure will ensure that students qualifying for the free and reduced lunch program will not go hungry due to delays in application processing or missed payments.

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. 423 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 324 (Joint) Commerce, Consumer Protection, and Health and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 173

The purpose and intent of this measure is to amend the law pertaining to medical marijuana by:

- (1) Clarifying that the definition of "adequate supply" of marijuana includes seven marijuana plants that are at least twelve inches in height or width and seven marijuana seedlings that are less than twelve inches in height and width;
- (2) Authorizing primary caregivers to continue cultivating marijuana for qualifying patients after December 31, 2018;
- (3) Allowing an individual to work in the medical marijuana industry or be a licensee if the individual has not served time in prison for a felony conviction in the five years immediately preceding the employment or application, whichever is applicable; and
- (4) Defining edible cannabis products and authorizing licensed medical marijuana dispensaries to manufacture and distribute edible cannabis products beginning July 1, 2018.

Your Committees received testimony in support of this measure from the Hawai'i Dispensary Alliance, Drug Policy Forum of Hawai'i, Drug Policy Action Group, Pakalōlō Suite, Custom Tattooing LLC, and twenty-one individuals. Your Committees received testimony in opposition to this measure from the Department of Public Safety, Department of Transportation, and one individual. Your Committees received comments on this measure from the Department of the Attorney General and one individual.

Your Committees find that chapter 329D, Hawaii Revised Statutes, was enacted pursuant to Act 241, Session Laws of Hawaii 2015, to establish medical marijuana dispensaries. As Hawaii expands its medical marijuana program through dispensaries, it is important that discussions continue to ensure that patients have adequate access to medical marijuana. Your Committees received testimony that the existing allowance of seven plants is not sufficient for some medical marijuana patients, and that being able to grow seven seedlings at the same time as the maturing plants helps ensure that there is a constant supply of medicine for the qualifying patient. Your Committees additionally find that allowing manufactured marijuana products such as edibles provides qualified patients with more choices in their treatment due to the slow release and long duration of efficacy that are unique to edible cannabis products.

Your Committees have amended this measure by:

- (1) Making the authority of primary caregivers to cultivate marijuana for qualifying patients terminate on December 31, 2020, rather than making the authority permanent;
- (2) Removing the provisions that permit a felon to work in the medical marijuana industry and be a licensee if the individual has not served time in prison for a felony conviction in the five years immediately preceding the employment;
- (3) Adding language to the definition of “edible cannabis products” to:
 - (A) Require the products be manufactured in a certified kitchen within a production center using marijuana grown in a production center;
 - (B) Require the products to be tested and specifically labeled for each product’s dosage and strength;
 - (C) Prohibit gummies, brightly colored candies, and other products that may attract children or bear resemblance to other commercially available products; and
 - (D) Allow liquid products that contain no more than ten milligrams of activated tetrahydrocannabinol per serving;
- (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 Commerce, Consumer Protection, and 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. 173, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 173, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 325 (Joint) Commerce, Consumer Protection, and Health and Agriculture and Environment on S.B. No. 301

The purpose and intent of this measure is to mandate the Department of Health to adopt and implement the recommendations made by the Office of the Auditor regarding combining the advance disposal fee program and deposit beverage container glass streams, and require the Department of Health to report on its implementation of the recommendations to the Legislature prior to the 2018 Regular Session.

Your Committees received testimony in support of this measure from the Office of the Auditor, City and County of Honolulu’s Department of Environmental Services, and four individuals. Your Committees received comments on this measure from the Department of Health, Hawaii Island School Garden Network, Wine Institute, and one individual.

Your Committees find that currently, glass recycling in the State is subsidized by two programs; non-deposit glass recycling is subsidized by the advanced disposal fee program, while deposit beverage container glass recycling is subsidized by the deposit beverage container program. Each program requires that its glass be processed and marketed separately.

Your Committees further find that the Legislature passed S.C.R. No. 74, S.D. 1, Regular Session of 2014, to determine whether a more efficient option exists pertaining to the processing operations associated with glass recycling. The resolution requested the Office of the Auditor to conduct an audit of the Department of Health’s advance disposal fee program. In response, the Office of the Auditor recommended that the Department of Health consider combining the advance disposal fee and deposit beverage container glass processing streams to increase efficiency and decrease costs while increasing the supply of glass available for down-cycling. The Office of the Auditor also recommended that the Department of Health update and finalize the 2008 Department of Health policy glass recycling draft.

Your Committees have amended this measure by:

- (1) Making the report to the Legislature due prior to the 2019 Regular Session;
- (2) Inserting a blank appropriation for the Department of Health to conduct a cost-benefit analysis of combining the processing streams of the advance disposal fee glass container and deposit beverage container glass;
- (3) Inserting an effective date of July 1, 2017; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that although the appropriation is blank, the Department of Health’s testimony requests an appropriation of \$100,000 to conduct the cost-benefit analyses.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B.

No. 301, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 301, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 326 Commerce, Consumer Protection, and Health on S.B. No. 1158

The purpose and intent of this measure is to require pharmacy benefit managers in Hawaii to register with the Insurance Commissioner.

Your Committee received testimony in support of this measure from the American Diabetes Association and three individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Express Scripts, and CVS Health.

Your Committee finds that pharmacy benefit managers are administrators of prescription drug programs and are responsible for developing and maintaining formularies and other clinical management programs, processing prescription drug claims for insurance companies or corporations, and negotiating contracts with pharmaceutical manufacturers. Pharmacy benefit managers also perform utilization reviews, manage clinical programs targeted to specific disease states, and operate pharmacies, including mail order and specialty pharmacies. Over the past decade, the role of pharmacy benefit managers in the delivery of health care has increased due to a variety of factors, including coverage expansions under the Medicare Part D prescription drug benefit and the federal Affordable Care Act and an increase in prescription drug spending that has motivated commercial health plans and self-insured employers to outsource the management of their spending on outpatient prescription drugs.

Your Committee further finds that this measure proposes registration and oversight of pharmacy benefit managers, similar to what is required for health insurance companies or health plans. Your Committee notes that while pharmacy benefit managers may already register with the Business Registration Division, such registration does not provide sufficient regulation or oversight of this industry. Your Committee also notes that more than twenty states require some type of registration for pharmacy benefit managers; many of these states require pharmacy benefit managers to register with a state's department or division of insurance.

Your Committee additionally finds that prescription drugs are a major factor of the spiraling increase in health care costs, of which pharmacy benefit managers are a contributing factor. This measure gives clear authority to the Insurance Commissioner to regulate pharmacy benefit managers, is an important first step toward regulating this industry, and is necessary to provide transparency and ensure adequate consumer protection.

Your Committee has amended this measure by:

- (1) Updating the purpose section;
- (2) Specifying that notwithstanding any law to the contrary, pharmacy benefit managers must still register with the Insurance Commissioner; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1158, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1158, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 327 Commerce, Consumer Protection, and Health on S.B. No. 1119

The purpose and intent of this measure is to establish that intentionally or knowingly causing bodily injury to a healthcare or human services professional constitutes assault in the second degree.

Your Committee received testimony in support of this measure from the Honolulu Police Department, Hawaii Government Employees Association, Healthcare Association of Hawaii, Hawai'i Pacific Health, The Queen's Health Systems, and two individuals.

Your Committee finds that state law already extends protections to professions such as teachers, educational workers, emergency medical technicians, employees who work in state mental health facilities, and firefighters by making certain offenses against these professions assault in the second degree. Your Committee further finds that healthcare and human services professionals face similar challenges of job related violent incidents while on duty. As mentioned in testimony to your Committee, the Bureau of Labor Statistics found that healthcare providers have sixteen times greater risk for violence than other workers. This measure proposes protections for healthcare and human services professionals that are commensurate with protections provided to workers who encounter similar risks on the job.

Your Committee notes that the intent of this measure is not to criminalize patients or visitors who may suffer from a mental illness. Accordingly, your Committee suggests ongoing discussion to address that concern.

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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1119, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 328 Commerce, Consumer Protection, and Health on S.B. No. 1308

The purpose and intent of this measure is to ensure the health, welfare, and safety of the people of Hawaii by providing desperately needed financial assistance to Wahiawa General Hospital. More specifically, this measure:

- (1) Appropriates funds to support basic operations, staff salaries and benefits, and continued hospitalist physician services at Wahiawa General Hospital;
- (2) Authorizes the issuance of general obligation bonds and appropriates funds for financing capital improvement projects for Wahiawa General Hospital; and
- (3) Appropriates funds to the Department of Health to perform a financial and performance audit of Wahiawa General Hospital.

Your Committee received testimony in support of this measure from the North Shore Chamber of Commerce, Wahiawa General Hospital, Dole Food Company Hawaii, ALEA Bridge, Hawaii Emergency Physicians Associated, Lanakila Pacific, Hawaii Emergency Physicians Associated, International Longshore and Warehouse Union Local 142 Hawaii, Hawai'i Nurses' Association, Hawaii Laborers-Employers Cooperation and Education Trust, Wahiawa Health, Pacific Resource Partnership, Wahiawa Nursing and Rehabilitation Center, Military Aloha State Transition and Economic Retention Council, twenty-eight individuals, and a form letter signed by over one hundred individuals. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Health, and one individual.

Your Committee finds that Wahiawa General Hospital is a valuable and essential provider of medical care for central Oahu and residents residing on the north shore. It is the only hospital that provides emergency medical services in a large geographical area that includes nearly one-third of the island. Your Committee also finds that the hospital is one of the largest employers in central Oahu and provides over five hundred jobs, with approximately ninety percent of its workers residing in the surrounding areas.

Your Committee further finds that in recent years, Wahiawa General Hospital has experienced severe financial difficulties, and that despite cutting programs, services, and personnel, the financial deficit has not been remedied. Your Committee notes that decreasing the hospital's financial deficit may require modifying the types of services provided and focusing on critical services such as emergency medical care, long term care, and geriatric care. The Wahiawa Center for Community Health is a nearby community resource that can assist patients who may lose services due to changes at the hospital.

Your Committee heard testimony from the Chief Executive Officer of Wahiawa General Hospital that the hospital is requesting bridge funding for the next two years to enable the hospital to transition to a sustainable business model. With a recent change in management at the hospital, a new plan exists that has the support of the hospital's Board, management team, employees, civic leaders, and unions, and is aimed at stabilizing the hospital's financial performance with the hopes of sustaining services and protecting jobs. Wahiawa General Hospital's Chief Executive Officer testified that the hospital feels it will be able to return financial operations back to breaking even within three years, and that the hospital is working with the Department of Health and two other health systems in the State as part of the hospital's transition.

Your Committee acknowledges that this measure is a work in progress, and that additional information will become available as the new leadership at Wahiawa General Hospital begins to implement the hospital's sustainability plan. Your Committee recognizes the complexities of determining the best future for Wahiawa General Hospital, but wants to encourage further discussion in hopes that interested stakeholders will come together and continue to work toward a collaborative solution that will meet the needs of the many people who rely on Wahiawa General Hospital for their health and welfare.

Your Committee has amended this measure by:

- (1) Removing the provisions that required the Department of Health to perform a financial and performance audit of Wahiawa General Hospital and appropriated funds for the audit;
- (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, Consumer Protection, and 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 329 Commerce, Consumer Protection, and Health on S.B. No. 122

The purpose and intent of this measure is to:

- (1) Provide designated family members, friends, and other interested persons of an individual with sufficient notice of a mental health emergency by providing: notice of certain procedures and actions, the option to be present in the courtroom for a

hearing on a petition for involuntary hospitalization or assisted community treatment, and the option to receive copies of hearing transcripts or recordings; and

- (2) Require the court to adjourn or continue a hearing on a petition for involuntary hospitalization or assisted community treatment for failure to timely notify designated persons, with certain exceptions.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Health, The Queen's Health Systems, and Hawaii Disability Rights Center.

Your Committee finds that family members provide a very valuable support network for individuals with mental illness, especially as those individuals try to navigate the State's health, mental health, and court systems. Your Committee further finds that often family members are kept in the dark about their loved ones' status, location, and treatment. While your Committee finds that it is important to provide family members with more information about their loved ones with mental illness, your Committee also recognizes the need to protect individual privacy rights.

Your Committee has amended this measure by:

- (1) Deleting the provision that provided family members with the right to notice of a person's emergency admission, examination, hospitalization, transfer, release, or discharge as soon as practicable and required efforts to locate family members for notice purposes to be documented in a person's medical records;
- (2) Inserting language entitling family members to notice of emergency admission, examination, and hospitalization as long as one of the following circumstances exist:
 - (A) The subject has capacity to make health care decisions and agrees, is given the opportunity to object and does not object, or the health care provider can reasonably infer from the circumstances that the subject does not object;
 - (B) The patient is incapacitated; or
 - (C) An emergency circumstance exists and the healthcare provider determines that providing notice is in the best interest of the subject;
- (3) Deleting language throughout the measure that entitles an adult friend who has a significant relationship with the person to notice of certain procedures and actions, and amending various provisions to entitle the subject's closest adult relative to notice, if any can be found, if the subject has no spouse or reciprocal beneficiary, legal parent, or adult children, or if none can be found;
- (4) Amending the provisions related to court hearings on a petition for involuntary hospitalization or assisted community treatment to allow the court discretion to exclude individuals entitled to notice from attending the hearing if the court determines such exclusion is required by the interests of justice;
- (5) Changing statutory language to require that when forensic and non-forensic patients are civilly committed, the individuals specified as entitled to receive notice in the order of commitment be given notice of intent to discharge, or notice of the patient's admission to voluntary inpatient treatment if the patient voluntarily agrees to further hospitalization;
- (6) Amending language to require that notice of any transport or admission for failure to comply with assisted community treatment be provided to the persons specified in the order for assisted community treatment; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 122, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 330 (Joint) Water and Land and Judiciary and Labor on S.B. No. 629

The purpose and intent of this measure is to:

- (1) Provide the Land Use Commission with the power to amend, revise, or modify a decision and order granting a district boundary amendment, or fine a petitioner, when the Commission finds that a petitioner or its successors or assigns have not adhered to the conditions imposed by the commission, regardless of whether there has been substantial commencement of use of the land; and
- (2) Define "substantial commencement".

Your Committees received testimony in support of this measure from the Office of Planning and Land Use Commission. Your Committees received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii. Your Committees received comments on this measure from the Department of Permitting and Planning of the City and County of Honolulu.

Your Committees find that providing additional tools to the Land Use Commission (LUC) for enforcing the conditions or requirements of a land use district boundary amendment serves to protect state interests and the public trust. Currently, the only enforcement mechanism available to the LUC for noncompliance with the conditions or requirements of a district boundary amendment is issuing an order to show cause, which may result in a reversion to the former land use classification. However, even that mechanism is available only prior to substantial commencement of use of the land. Furthermore, reversion is not always an

appropriate solution. Your Committees find that providing the LUC with the flexibility to work with petitioners and amend, modify, or vacate conditions, or impose fines, will improve compliance and eliminate the unfair advantages of petitioners who fail to comply with the conditions or requirements imposed with their district boundary amendments.

Your Committees have amended this measure by:

- (1) Inserting an effective date of March 15, 2094, 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 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. 629, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 629, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 331 (Joint) Water and Land and Transportation and Energy on S.B. No. 991

The purpose and intent of this measure is to decriminalize traffic infractions within natural area reserves, game management areas, wildlife sanctuaries, and public hunting areas.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committees find that this measure will simplify the resolution of traffic violations occurring on certain state lands, reduce efforts and resources expended to resolve minor traffic violations, and ensure that police, prosecutorial, and judicial resources are focused on the most serious criminal offenses.

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 Energy 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 your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 332 (Joint) Water and Land and Judiciary and Labor on S.B. No. 992

The purpose and intent of this measure is to clarify that the Department of Land and Natural Resources (DLNR) may assume immediate control of:

- (1) A vessel that is grounded on state submerged lands or a shoreline that cannot be removed by the owner within twenty-four hours of grounding; and
- (2) A vessel not in imminent danger of breaking up that is grounded on a sand beach, sandbar, or mudflat that is not removed by the owner within seventy-two hours of the owner or owner's representative receiving notice from DLNR.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and Office of Hawaiian Affairs. Your Committees received testimony in opposition to this measure from Maui Dive Shop and Quicksilver Charters. Your Committees received comments on this measure from the Ocean Tourism Coalition and Trilogy Corporation.

Your Committees find that DLNR's current authority to assume control of vessels grounded on state submerged lands or a shoreline, or vessels grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up, is unclear. Clarifying and expanding DLNR's control of removing grounded vessels is necessary as a public safety measure that will significantly reduce avoidable impacts to Hawaii's nearshore and coastal environment.

Your Committees have amended this measure by:

- (1) Clarifying that if the owner or owner's representative has received notice from DLNR and commenced effective salvage operations, then DLNR does not have authority to assume control of vessels grounded on state submerged lands, shorelines, or a coral reef, or in imminent danger of breaking up;
- (2) Clarifying that if DLNR assumes control over a vessel, the vessel shall be removed by conventional salvage methods if possible, but if not possible by any means necessary; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 992, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 992, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).
 Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 333 (Joint) Water and Land and Judiciary and Labor on S.B. No. 989

The purpose and intent of this measure is to amend the fines and clarify criminal penalties for destroying or harvesting trees, including koa, on state forest reserve lands, add criminal penalties for violating laws or rules relating to forest reserves, and repeal the general penalty provision in chapter 183, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and two individuals.

Your Committees find that the current fines for destroying or harvesting trees, including koa, on state forest reserve lands are inadequate compared to the current market value of the trees and the costs associated with restoration or replacement of the trees and damages caused by their destruction or harvest. An adjustment in fines is warranted to deter the illegal harvesting and destruction of natural resources within state forest reserves. Your Committees further find that establishing a criminal penalty for certain conservation and resource violations strengthens the Department of Land and Natural Resources' enforcement capabilities and offers additional protection of the State's natural resources.

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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 989, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 989, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
 Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).
 Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 334 (Joint) Water and Land and Agriculture and Environment on S.B. No. 772

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to provide assistance to and collaborate with the National Wildlife Research Center of the United States Department of Agriculture to:

- (1) Complete the research study on the rose-ringed parakeet on the island of Kauai and related research; and
- (2) Develop and implement programs to reduce the negative impacts of the rose-ringed parakeet on the island of Kauai.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Hawai'i Farm Bureau, Hawaii Crop Improvement Association, Kaua'i Invasive Species Committee, Kauai County Farm Bureau, Dow Agrosience, and six individuals. Your Committees received testimony in opposition to this measure from Animal Rights Hawaii, Save an Animal, and one individual.

Your Committees find that the rose-ringed parakeet, *Psittacula krameri*, native to Africa and India, is considered to be one of the most significant agricultural pests of important food crops. The National Wildlife Research Center of the United States Department of Agriculture estimated there were more than two thousand rose-ringed parakeets on Kauai as of 2011 and concluded that these birds are probably dispersing invasive plant species, including lilikoi and strawberry and yellow guava; possibly destroying native seeds, including koa; and potentially competing with native birds for fruits, seeds, and nesting sites. Additionally, the parakeets are damaging and reducing the yield of many crops, including lychee, longan, and rambutan. Your Committees find that additional research is needed for the development and preliminary implementation of an effective control plan for rose-ringed parakeets on Kauai.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 772 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
 Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).
 Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 335 (Joint) Water and Land and Agriculture and Environment on S.B. No. 1088

The purpose and intent of this measure is to appropriate funds for the certification of a carbon reforestation project at Haleakala, Maui, operated by the Department of Land and Natural Resources under an established forest carbon standard certification system.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Office of Environmental Quality Control; Nature Conservancy Hawai'i; Hawaii Farmers Union United; We Are One, Inc.; and thirteen individuals.

Your Committees find that certified carbon projects directly contribute to multiple sustainability goals for the State of Hawaii, including the Aloha+ Challenge Declaration. The Department of Land and Natural Resources proposes to certify a reforestation project on state lands and has secured funding for the restoration project activities through federal and state resources, and needs an initial investment of \$120,000 for the certification of the carbon project under an established forest carbon standard. Your Committees find that this one-time appropriation to support the restoration project serves the public interest through efforts to mitigate the impacts of climate change and environmental degradation. Success of this project will result in converting degraded pastureland back to native forest to sequester carbon, reduce erosion, increase water supply recharge, re-establish endangered species habitat, mitigate wildfire threats, and support numerous other natural and cultural benefits important to the people of Hawaii.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1088 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 336 Government Operations on S.B. No. 794

The purpose and intent of this measure is to amend the date of filing of monthly, quarterly, semiannual, and annual general excise tax returns from the 20th day of the respective applicable month to the last day of the month, beginning for returns and payments due on or after January 1, 2018.

Your Committee received testimony in support of this measure from the Hawaii Business League and one individual. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this measure returns the general excise tax returns filing requirements to the last day of the month following the end of the relevant tax period; the last day of the month had been the filing requirement prior to Act 196, Session Laws of Hawaii 2009. Your Committee finds that returning the filing date of the general excise tax returns as proposed in this measure will ease tax compliance, particularly for small businesses in the State.

Your Committee has amended this measure by clarifying that it applies to taxable periods beginning after December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 794, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 794, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 337 (Joint) Government Operations and Economic Development, Tourism, and Technology on S.B. No. 850

The purpose and intent of this measure is to require the Chief Information Officer to identify the information technology projects of the executive branch, including the Department of Education and University of Hawaii, that shall be subject to independent verification and validation, and award, administer, and manage the contracts of identified projects.

Your Committees received testimony in support of this measure from the University of Hawai'i System. Your Committees received comments on this measure from the Department of Education and Office of Enterprise Technology Services.

Your Committees find that requiring independent verification and validation for projects that involve substantial risk and expense will contribute to the efficient and effective functioning of state government, and the success of state modernization initiatives.

As affirmed by the records of votes of the members of your Committees on Government Operations and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 850 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Thielen).

SCRep. 338 (Joint) Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health on S.B. No. 1087

The purpose and intent of this measure is to enable a transient accommodations broker to register as a tax collection agent with respect to transient accommodations taxes and general excise taxes for its operators and plan managers in a manner that recognizes the dynamic changes occurring in the transient accommodations sector.

Your Committees received testimony in support of this measure from the Oahu Alternative Lodging Association, Travel Tech, AirBNB, and twenty-eight individuals. Your Committees received testimony in opposition to this measure from the City and County of Honolulu, Kailua Neighborhood Board, Hawaii Appleseed Center for Law & Economic Justice, UNITE HERE Local 5, Rental by Owner Awareness Association, and four individuals. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and two individuals.

Your Committees find that this measure would allow internet platforms to collect and remit general excise tax and transient accommodations tax which would enable the State to generate millions of dollars in tax revenue. Your Committees further find that this measure will also help ensure that all operators contribute their share of taxes owed to the State.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1087 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Thielen).

Commerce, Consumer Protection, and Health: Ayes, 4; Ayes with Reservations (Espero). Noes, none. Excused, 3 (Chang, Ihara, Kidani).

SCRep. 339 (Joint) Economic Development, Tourism, and Technology and Human Services on S.B. No. 1085

The purpose and intent of this measure is to allocate funds from the transient accommodations tax revenues for homelessness services in tourism-impacted areas.

Your Committees received testimony in support of this measure from IMUAlliance; Aqua-Aston Hospitality; Ho‘omana Pono, LLC; Outrigger Enterprises Group; Hawai‘i Lodging & Tourism Association; and three individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that the State has experienced a steady increase in the number of unsheltered homeless individuals and families in recent years. Your Committees find that it is important to find innovative ways to fund homeless services, especially human services, health care, outreach, and rapid rehousing for the State’s unsheltered and at-risk populations. Your Committees further find that private entities have donated to help provide resources, but more funding is necessary to support services for unsheltered homeless individuals and families in Hawaii.

Your Committees have amended this measure by:

- (1) Changing the effective date to January 1, 2018; and
- (2) Specifying that the funds allocated to provider agencies operating or managing a homeless facility or any other program for homeless individuals be distributed to the Department of Human Services.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Human Services 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 340 (Joint) Economic Development, Tourism, and Technology and International Affairs and the Arts on S.B. No. 349

The purpose and intent of this measure is to establish and appropriate funds for the China-Hawaii Economic Council to further economic relations between China and Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism, and one individual. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the establishment of a China-Hawaii Economic Council will provide an invaluable opportunity to further economic relations between China and Hawaii. Your Committees further find that the collaboration will help to facilitate investment, increase tourism, and promote trade.

Your Committees note that the recommended appropriation to establish the China-Hawaii Economic Council is \$200,000 per fiscal year.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and International Affairs and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 349 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 341 Economic Development, Tourism, and Technology on S.B. No. 1249

The purpose and intent of this measure is to establish the Technology Innovation Corporation, a corporation attached to the High Technology Development Corporation, to help create high technology development opportunities in the State.

Your Committee received testimony in support of this measure from the High Technology Development Corporation. Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that a Technology Innovation Corporation would help attract high technology development opportunities to the State. High technology is an important driver in the diversification of Hawaii’s economy and provides quality jobs for Hawaii residents. Your Committee further finds that a Technology Innovation Corporation would help increase public-private collaboration and create additional opportunities for economic and innovative development.

Your Committee has amended this measure by:

- (1) Removing a reference to the corporation as a not-for-profit organization;
- (2) Removing references to two members of the board of directors to be appointed by the President of the Senate and two members to be appointed by the Speaker of the House of Representatives;
- (3) Increasing the number of directors that the Governor appoints to the board from three to seven members; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 342 Economic Development, Tourism, and Technology on S.B. No. 902

The purpose and intent of this measure is to:

- (1) Change the name of the High Technology Development Corporation to the Hawaii Technology Development Corporation;
- (2) Update all references within chapter 201M, Hawaii Revised Statutes, from “high technology” to “technology”; and
- (3) Repeal the Hawaii Software Service Center established within the High Technology Development Corporation.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and High Technology Development Corporation.

Your Committee finds that changing the High Technology Development Corporation’s name will make it easier for the public and the media who already commonly refer to the agency as the Hawaii Technology Development Corporation. Your Committee also finds that with rapid advancements in telecommunication, the Internet, and automation, “high technology” is now simply referred to as “technology”; therefore, updating all references within chapter 201M, Hawaii Revised Statutes, from “high technology” to “technology” is appropriate. Your Committee further finds that the Hawaii Software Service Center has been unfunded for at least ten years and is 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, Tourism, and Technology 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 343 Economic Development, Tourism, and Technology on S.B. No. 1084

The purpose and intent of this measure is to:

- (1) Require that the Governor appoint members of the Hawaii Tourism Authority Board of Directors within ninety days of receiving lists of nominees from the President of the Senate and Speaker of the House of Representatives;
- (2) Repeal the Hawaii Tourism Authority Board of Directors’ authority to convene closed meetings for certain purposes; and
- (3) Require the Hawaii Tourism Authority to submit an unredacted report of summary descriptions and planned and actual expenditures of contracts and agreements entered into by the Authority and a detailed annual budget for the Authority to the Governor and Legislature.

Your Committee received testimony in support of this measure from the Hawaii Lodging & Tourism Association, Island Air, Society of Professional Journalists Hawaii Chapter, Waikiki Improvement Association, and one individual. Your Committee received comments on this measure from the Hawaii Tourism Authority and the Office of Information Practices.

Your Committee finds that the Hawaii Tourism Authority is a vital contributor to and supporter of the State’s top industry. Since the Hawaii Tourism Authority’s inception, it has been an invaluable partner to many associations and organizations in ensuring the remarkable success of tourism in the State. Accordingly, your Committee finds that it is crucial that the appointment of members of the Board of Directors occur promptly. Your Committee further finds it vital that the Board of Directors’ meetings, proceedings, and information be transparent and accessible to the lawmakers and partners who provide oversight of the Hawaii Tourism Authority’s activities and budget.

Your Committee has amended this measure by:

- (1) Stipulating that if the Governor receives the list of nominees for appointment to the Hawaii Tourism Authority’s Board of Directors from the President of the Senate and Speaker of the House of Representatives but a vacancy continues after ninety days, the President of the Senate and Speaker of the House of Representatives shall alternate appointing the members;
- (2) Allowing the Hawaii Tourism Authority’s Board of Directors to enter into executive meetings closed to the public with stipulated exceptions;
- (3) Requiring that Hawaii Tourism Authority’s Board of Directors’ executive meeting minutes be available to any legislator upon request;
- (4) Requiring information relating to marketing plans and strategies discussed at executive meetings to be disclosed after the execution of the market plans and strategies; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1084, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1084, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 344 (Majority) Economic Development, Tourism, and Technology on S.B. No. 1306

The purpose and intent of this measure is to establish an Office of Public-Private Partnership 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. Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association.

Your Committee finds that public-private partnerships are an effective strategy for economic development. An Office of Public-Private Partnership within the Department of Business, Economic Development, and Tourism would help identify and implement various public-private projects across the State and stimulate growth in various industries including tourism, film, agriculture, energy, technology, and innovation.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Taniguchi). Excused, 1 (Baker).

SCRep. 345 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 637

The purpose and intent of this measure is to authorize the counties through their employees or authorized agents to enter private property to control or eradicate invasive species and pests.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Agriculture; Office of the Mayor for the County of Maui; The Hawaiian Electric Companies; Hawaii Association of REALTORS; Hawaii Farmers Union; and nine individuals. Your Committees received testimony in opposition to this measure from Kauai Ferals dba Kauai Community Cat Project and one individual.

Your Committees find that invasive species and pests are a persistent and real threat to the State. Invasive species and pests can swiftly and permanently alter the ecosystem of the State if not effectively eradicated. To ensure the rapid and complete removal of such species and pests, it is essential to allow the counties, through their employees or authorized agents, to have authority to enter onto private property when necessary to control or eradicate invasive species and pests.

Your Committees have amended this measure by:

- (1) Clarifying in section 194-5(a), Hawaii Revised Statutes, that an agent of the department or county is also authorized to enter private property to control or eradicate invasive species; 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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 637, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 637, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.
Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).
Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 346 (Joint) Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health on S.B. No. 887

The purpose and intent of this measure is to ensure adequate funding for enhanced 911 services through a surcharge at the point of sale on each prepaid wireless telecommunications service purchased by Voice over Internet Protocol and wireless mobile phone users.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services; Hawai'i Police Department; Honolulu Police Department; Maui Police Department; Enhanced 911 Board; CTIA; Verizon; and four individuals. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice and Retail Merchants of Hawaii.

Your Committees find that enhanced 911 services provide great benefit to the health, safety, and welfare of the public. The Enhanced 911 Fund helps ensure adequate funding for enhanced 911 services as well as helps to develop future, related services and technologies. Currently, a monthly enhanced 911 surcharge of 66 cents per month is imposed upon each communications service connection for Voice over Internet Protocol and wireless phones except wireless prepaid mobile phone users, despite the fact that wireless prepaid mobile phone users receive all of the benefits of enhanced 911 services. Requiring wireless prepaid mobile phone users, referred to this measure as prepaid wireless telecommunications service, to pay a surcharge for enhanced 911 services would

create greater equity in the funding of enhanced 911 services and would provide a significant source of funds to help sustain enhanced 911 services. Accordingly, this measure:

- (1) Establishes a prepaid wireless E911 surcharge of 2.64 percent of prepaid wireless service purchased at the point of sale;
- (2) Allows sellers to deduct and retain three percent of the surcharge for administrative purposes and remit the balance to the Enhanced 911 Board; and
- (3) Requires the amounts collected by the Enhanced 911 Board to be placed in the Enhanced 911 Fund.

Your Committees have amended this measure by:

- (1) Changing the rate of the prepaid wireless E911 surcharge from 2.64 percent to 1.5 percent; 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 Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 887, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 887, S.D. 1, and be referred to your 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 (Ihara).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 347 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 938

The purpose and intent of this measure is to repeal the requirement that the State Director of Finance deduct ten per cent of the gross proceeds of a respective county's surcharge on state tax to reimburse the State for the costs of assessment, collection, and disposition of the county surcharge on state tax incurred by the State.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, Honolulu City Council, Mayor of the City and County of Honolulu, Honolulu Rapid Transit Authority, General Contractors Association of Hawaii, and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the State Director of Finance's deduction of ten per cent of the gross proceeds of a respective county's surcharge on state tax is unfair and inequitable to the taxpayers of the respective counties. As constituted, the ten per cent deduction for the county's surcharge allows significant taxpayer dollars paid by taxpayers of a particular county to be redistributed for state projects that may provide no benefit to the county taxpayers. Moreover, repealing the State's deduction of ten per cent of the counties' surcharge on state tax will provide increased revenue to the counties to use on a variety of initiatives, including public transportation projects.

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. 938, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 938, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 348 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 988

The purpose and intent of this measure is to clarify procedures for an exemption and establish those agricultural buildings, structures, and appurtenances excluded from building permit and building code requirements under section 46-88, Hawaii Revised Statutes, and pursuant to the requirements of the National Flood Insurance Program.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; Hawaii Emergency Management Agency; Office of the Mayor of the County of Hawai'i; County of Hawai'i Department of Public Works; Department of Emergency Management for the City and County of Honolulu; Department of Planning and Permitting for the City and County of Honolulu; Hawai'i Association of REALTORS; Hawaii Bankers Association; Hawaii Financial Services Association; Hawaii Insurers Council; Hawaii Independent Insurance Agents Association; Mortgage Bankers Association; and six individuals. Your Committees received testimony in opposition of this measure from one individual. Your Committees received comments on this measure from the Department of Agriculture and Hawaii Aquaculture and Aquaponics Association.

Your Committees find that it essential that building code and building permit requirements comply with the requirements of the National Flood Insurance Program as administered by the Federal Emergency Management Agency. Failure to maintain compliance with the program's requirements could result in the Federal Emergency Management Agency initiating suspension procedures throughout the State, which could lead to the loss of National Flood Insurance Program insurance coverage and impact eligibility for certain federal disaster assistance. Certain aspects of the building code and permit requirement statutes have allowed for some agricultural buildings, structures, and appurtenances to fall outside the National Flood Insurance Program requirements. Accordingly, this measure:

- (1) Requires an owner or occupier intending to utilize the exemption to the building code and permit requirements under section 46-88, Hawaii Revised Statutes, to provide written notice to the appropriate county agency of the size, type, and location of the proposed building;
- (2) Requires the appropriate county agency to determine that a building permit is not necessary to comply with local, state, and federal floodplain management development standards, or National Flood Insurance Program regulations; and
- (3) Establishes that section 46-88, Hawaii Revised Statutes, does not exempt any new or existing agricultural buildings, structures, related appurtenances, or other development from local, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to National Flood Insurance Program requirements.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment 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 your 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, 3. Noes, none. Excused, 2 (Baker, Ihara).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Ruderman).

SCRep. 349 (Joint) Agriculture and Environment and Water and Land on S.B. No. 558

The purpose and intent of this measure is to provide funds to establish invasive species technician positions for the Department of Land and Natural Resources' Division of Forestry and Wildlife in east Maui to control invasive species.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Hawaii Farmers Union United; Conservation Council for Hawaii; Hawaii Cattlemen's Council, Inc.; We Are One, Inc.; and twenty-one individuals. Your Committees received testimony in opposition to this measure from Animal Rights Hawai'i.

Your Committees find that the invasion of insects, disease bearing organisms, snakes, weeds, and other pests is a major threat to the State's economy, natural environment, and health. A continued commitment to having the best possible understanding, science, plans, and capacity is necessary to maintain and enhance invasive species prevention and mitigation in Hawaii to effectively protect the State's natural resources and economy and the health and lifestyle of its people.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 558 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 350 (Joint) Agriculture and Environment and Water and Land on S.B. No. 830

The purpose and intent of this measure is to create an income tax credit based on real property taxes paid for landowners to incentivize leasing land for community food forests.

Your Committees received testimony in support of this measure from One Island Sustainable Living; We Are One, Inc.; and thirty-three individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Taxation, and A'a Li'i Farm.

Your Committees find that the concept of community food forests is to identify lands, particularly those near community gathering places such as parks and community centers, that may be suitable for lease for edible landscaping or growing edible plants. Your Committees further find that the State should be exploring community food forests as a food source alternative given the State's need for greater sustainability. Community and urban gardens may provide additional sources of low- or no-cost food to residents, while also utilizing developed land for community sustainability purposes.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 830 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 351 (Joint) Agriculture and Environment and Water and Land on S.B. No. 839

The purpose and intent of this measure is to appropriate funds for a feasibility study for planning and land acquisition for an agricultural park in the Puna district to provide access to agricultural lands for small scale farmers.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; County of Hawaii Office of the Mayor; Hawaii Farmers Union United; Hawai'i Farm Bureau; Hawaii Island School Garden Network; One Island Sustainable Living; Malama O Puna; Na Kanaka O Puna; We Are One, Inc.; A'a Li'i Farm; and forty-five individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that Puna is the fastest growing district in the County of Hawaii, with a population of 45,326, according to the 2010 United States census, and is expected to grow to approximately 75,000 by 2030. Puna is also becoming increasingly popular as a tourist attraction as it is near Hawaii Volcanoes National Park and is a world renowned destination for ecotourism and personal

development opportunities. Your Committees find that an agricultural park in the Puna district would provide economic opportunities and increase local food production in the district in alignment with the State's goal of food sustainability.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 839 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 352 (Joint) Agriculture and Environment and Water and Land on S.B. No. 1208

The purpose and intent of this measure is to establish the agribusiness land and facilities special fund to acquire, operate, and maintain large tracts of former agricultural land in the State for agricultural economic development.

Your Committees received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Land Use Research Foundation; Hawaii Farm Bureau; Larry Jefts Farms, LLC; and one individual. Your Committees received comments on this measure from the Department of Budget and Finance and State Procurement Office.

Your Committees find that due to the rapid downsizing and closure of agricultural companies in the State, there are large tracts of land and empty industrial facilities currently available for agricultural economic growth. This measure provides a means by which the Agribusiness Development Corporation (ADC) can acquire certain large tracts of former agricultural land located in Hawaii for agricultural development.

Your Committees have amended this measure by:

- (1) Providing that the exemption of expenditures, uses, or transfers of funds from the agribusiness land and facilities special fund from chapter 42F or 103D, Hawaii Revised Statutes, applies after the ADC adopts rules governing expenditures by the ADC; 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 Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1208, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1208, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

SCRep. 353 Agriculture and Environment on S.B. No. 1257

The purpose and intent of this measure is to appropriate funds for the planning and design of scalable livestock harvest facilities.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Maui Cattlemen's Association, Inc.; Hawaii Crop Improvement Association; Hawai'i Farm Bureau; Hawaii Island School Garden Network; Hawaii Cattle Producers Cooperative Association; Maui Cattle Company, LLC; Ulupalakua Ranch, Inc.; Parker Ranch, Inc.; Paniolo Cattle Company LLC; Palani Ranch Company, Inc.; Small Kine Farm; McCandless Ranch; PRL English, LLC; and eleven individuals. Your Committee received testimony in opposition to this measure from Animal Rights Hawai'i.

Your Committee finds that the cattle industry in Hawaii has a long-standing history and has seen numerous changes in production practices, requiring adaptations to market conditions. Recently, there has been a resurgence in the number of cattle that remain in Hawaii for local consumption, giving rise to challenges for many facilities that are not equipped to handle the increased numbers of cattle. Your Committee finds that these facilities were built for a set throughput of livestock, which makes it difficult to effectively adapt to changing industry conditions, and therefore your Committee understands that funding is needed to provide plans for new livestock harvest facilities. However, your Committee has concerns regarding the ultimate sustainability of the livestock industry in light of the continued requests for subsidies over recent years. Your Committee believes that funds may be better used to support other areas of agriculture to reach the State's goals regarding sustainability and increased local food production.

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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1257, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1257, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Rhoads). Noes, none. Excused, 1 (Nishihara).

SCRep. 354 Judiciary and Labor on S.B. No. 103

The purpose and intent of this measure is to implement the state constitutional amendment in S.B. No. 2554, Regular Session of 2016, that authorizes the disposition of excess general fund revenues to pre-pay general obligation bond debt service, other post-employment benefit liability, and pension liability.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Employees' Retirement System, and one individual. Your Committee received comments on this measure from the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that S.B. No. 2554, Regular Session of 2016, proposed a constitutional amendment to provide the Legislature alternatives in the disposition of excess general revenues in addition to its then existing options, which included providing a tax refund or tax credit, or depositing excess funds into one or more emergency and budget reserve funds. The constitutional amendment was ratified on November 8, 2016. Your Committee finds that this measure is necessary to implement Article VII, section 6, of the Hawaii State Constitution.

Your Committee has amended this measure by:

- (1) As recommended by the EUTF, clarifying that the option to pre-pay other post-employment benefit liability requires payments to reduce future annual required contributions, not the amortization period;
- (2) Inserting an effective date of January 7, 2059, 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. 103, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 103, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 355 Judiciary and Labor on S.B. No. 320

The purpose and intent of this measure is to require the collection of buccal swab samples and print impressions of each hand, and other types of DNA samples, if provided by law or rule, from persons who have completed their criminal sentences and are no longer confined, in custody, or under parole or probation supervision, or are otherwise discharged from the jurisdiction of the court.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, County of Maui; and one individual. Your Committee received testimony in opposition to this measure from the Office of the Public Defender, American Civil Liberties Union of Hawai'i, and one individual.

Your Committee finds that the Hawaii Intermediate Court of Appeals in State v. Dunbar, 139 Haw. 9, 383 P.3d 112 (2016), examined the State's DNA sample collection law. The court concluded that even though the defendant in this case was convicted of a felony that met the DNA sampling requirements under law, the defendant was not required to provide a DNA sample because the law did not address the collection of DNA from a person whose probation has expired. Your Committee recognizes the importance of collecting DNA samples from felony offenders to help solve other crimes committed by these offenders, provide justice to crime victims, and deter the commission of future offenses. This measure promotes the importance of the State's DNA sample collection laws by requiring the collection of DNA samples from certain felony offenders who have completed their sentences and are no longer under the jurisdiction of the court.

Your Committee notes the constitutional concerns raised in written testimony submitted by the American Civil Liberties Union of Hawai'i regarding the retroactive application of DNA sampling from convicted felony offenders who have completed their sentences and that the retroactive application of these individuals may impose an excessive government intrusion into personal genetic information. Under this measure, the proposed amendments to the DNA collection laws would apply retroactively to a period prior to the effective date of Act 112, Session Laws of Hawaii 2005 (Act 112) that established the state DNA database and data bank identification program. Although the Department of the Attorney General testified that the retroactive application of the State's DNA collection laws under section 844D-41, Hawaii Revised Statutes, was enacted through Act 112, your Committee is concerned that the retroactive application may not afford enough constitutional protection to those who have already paid their debt to society.

Your Committee has amended this measure by:

- (1) Clarifying that the collection of DNA samples from persons subject to part III of chapter 844D, Hawaii Revised Statutes, applies retroactively to July 1, 2005, the effective date of the state DNA database and data bank identification program pursuant to Act 112;
- (2) Replacing references to the verdict of not guilty by reason of insanity with acquittal pursuant to section 704-402, Hawaii Revised Statutes, to reflect proper terminology;
- (3) Inserting an effective date of January 7, 2059, 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. 320, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 320, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 356 Judiciary and Labor on S.B. No. 490

The purpose and intent of this measure is to allow the circuit court or family court to issue a material witness order in cases initiated through felony complaint in addition to indictment or written information.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that a material witness order is a court order that compels a person to appear as a material witness in a pending criminal action to which bail is affixed to secure that person's attendance in court. Existing law relating to material witness orders applies to an indictment or written information filed in circuit court. Although all felony cases may be issued via felony complaint or indictment, only certain felony cases may be initiated via written information. Furthermore, felony complaints may be filed in family court depending on the court's original jurisdiction. This measure ensures that the circuit and family courts have the tools necessary to order a material witness, when appropriate, regardless of whether the case is initiated through an indictment, written information, or felony complaint.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 357 (Majority) Judiciary and Labor on S.B. No. 673

The purpose and intent of this measure is to propose a constitutional amendment to:

- (1) Extend the required timeframe for certain appointment and consent procedures for justices and judges from thirty to ninety days;
- (2) Conform certain judicial appointment and consent procedures for district court judges with the judicial appointment and consent procedures for Supreme Court justices and Intermediate Court of Appeals and circuit court judges by:
 - (A) Repealing language that requires the Senate to hold a public hearing and vote on each district court judge appointment within a certain time from the appointment; and
 - (B) Adding judicial appointment and consent procedures for district court judges in the event that the Senate fails to reject any district court judge appointment within the required timeframe or affirmatively rejects any district court judge appointment; and
- (3) Amend the timeframe to renew the term of office of a justice or judge and require consent of the Senate for a justice or judge to renew a term of office.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Judiciary; Office of the Public Defender; Judicial Selection Commission; American Civil Liberties Union of Hawai'i; American College of Trial Lawyers; Americans for Democratic Action Hawaii; American Judicature Society; Common Cause Hawaii; Hawaiian Affairs Caucus of the Democratic Party of Hawai'i; Family Law Section of the Hawaii State Bar Association; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Chapter of the American Board of Trial Advocates; Hawai'i County Bar Association; Hawaii Filipino Lawyers Association; Hawaii State Bar Association; Hawai'i State Trial Judges Association; Japanese American Citizens League; Kalihi Palama Hawaiian Civic Club; Kaua'i Bar Association; Ke One O Kākuhihewa, O'ahu Council of the Association of Hawaiian Civic Clubs; League of Women Voters of Hawaii; Maui County Bar Association; Prince Kūhiō Hawaiian Civic Club; University of Hawaii Professional Assembly; West Hawaii Bar Association; Democratic Party of Hawai'i; Community Alliance on Prisons; Honolulu Hawaii NAACP; International Longshore and Warehouse Union, Local 142; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Life of the Land; State of Hawaii Organization of Police Officers; and eighty-five individuals.

Your Committee finds that the Senate consent provisions of the Hawaii State Constitution relating to the appointment of district court judges are incongruous to those relating to Supreme Court justices and Intermediate Court of Appeals and circuit court judges. In the case of Supreme Court justices and Intermediate Court of Appeals and circuit court judges, if the Senate fails to reject an initial appointment to these courts within thirty days of the appointment, the Senate is deemed to have consented to the appointment. For district court judicial appointees, the exact opposite occurs. The district court judicial appointee is automatically considered rejected if not consented to by the Senate within thirty days of receipt of the district court judicial appointment. This measure conforms certain judicial appointment and consent procedures for district court judges with the judicial appointment and consent procedures for Supreme Court justices and Intermediate Court of Appeals and circuit court judges.

Your Committee further finds that the Hawaii State Constitution requires every justice or judge to petition the Judicial Selection Commission to be retained in office. Retention proceedings, like all of the Judicial Selection Commission's proceedings, are kept secret by the Commission and all information considered by the Commission is not disclosed. If the Judicial Selection Commission determines that the justice or judge should be retained, the Judicial Selection Commission is authorized by the state constitution to renew the justice's or judge's term. Unlike the original appointment of a justice or judge, Senate consent is not required for a justice's or judge's term renewal. Therefore, only the Senate confirmation process of a justice's or judge's initial appointment is open to public scrutiny.

This measure proposes a constitutional amendment to authorize the Senate, rather than the Judicial Selection Commission, to renew a justice's or judge's term while retaining the Judicial Selection Commission's constitutionally mandated responsibility to determine whether a justice or judge should be retained in office and providing the Judicial Selection Commission ninety days to make its

determination then immediately provide written notice to the Senate of its determination and, if applicable, a copy of a petition for retention. The Senate would have ninety days to vote to consent to or reject the petition; otherwise, the Judicial Selection Commission's determination would take effect.

Your Committee has amended this measure by:

- (1) Reinstating language that requires the Senate to hold a public hearing as part of the Senate consent procedures for a district court judge appointee, and extending the timeframe for the Senate to hold this public hearing and vote on each district court judicial appointment from thirty to ninety days; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 673, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 673, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Rhoads). Noes, 2 (Gabbard, Thielen). Excused, none.

SCRep. 358 Judiciary and Labor on S.B. No. 914

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (2) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Health Systems Corporation; and University of Hawai'i System.

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 2017 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. 914, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 914, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 359 Judiciary and Labor on S.B. No. 915

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (3) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; Hawaii Health Systems Corporation; 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. 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 2017 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. 915, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 915, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 360 Judiciary and Labor on S.B. No. 916

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (4) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; Hawaii Health Systems Corporation; 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 2017 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. 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 361 Judiciary and Labor on S.B. No. 917

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii State Teachers Association.

Your Committee finds 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 2017 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. 917, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 917, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 362 Judiciary and Labor on S.B. No. 918

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2017-2019.

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 2017 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. 918, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 918, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 363 Judiciary and Labor on S.B. No. 919

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (7) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, University of Hawai'i System, and University of Hawaii Professional Assembly.

Your Committee finds 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 2017 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. 919, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 919, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 364 Judiciary and Labor on S.B. No. 920

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (8) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; 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 2017 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. 920, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 920, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 365 Judiciary and Labor on S.B. No. 921

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, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; Hawaii Health Systems Corporation; 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 2017 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. 921, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 921, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 366 Judiciary and Labor on S.B. No. 922

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (10) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; Hawaii Health Systems Corporation; and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (10) 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 2017 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. 922, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 922, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 367 Judiciary and Labor on S.B. No. 923

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (11) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii Fire Fighters Association, International Association of Fire Fighters, Local 1463, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (11) 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 2017 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. 923, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 923, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 368 Judiciary and Labor on S.B. No. 924

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (1) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; University of Hawaii System; Hawaii Health Systems Corporation, and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds 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 2017 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. 924, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 924, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 369 Judiciary and Labor on S.B. No. 925

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (13) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; Hawaii Health Systems Corporation; 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 2017 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. 925, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 925, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 370 Judiciary and Labor on S.B. No. 926

The purpose and intent of this measure is to provide a legislative vehicle to fund public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii employer-union health benefits trust fund costs for public employees in collective bargaining unit (14) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Hawaii Health Systems Corporation, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (14) 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 2017 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. 926, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 926, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 371 (Joint) Judiciary and Labor and Commerce, Consumer Protection, and Health on S.B. No. 970

The purpose and intent of this measure is to extend the exemption from civil service for Medical Marijuana Dispensary Program staff in the Department of Health hired on or after July 1, 2015, until June 30, 2020.

Your Committees received testimony in support of this measure from the Department of Health.

Your Committees find that due to the novelty of the Medical Marijuana Dispensary Program (Program), local workers with specialized experience in dispensary regulations were not initially available for hire and thus initial implementation of the Program was delayed. Your Committees find that an extension of the exempt status for medical marijuana dispensary licensing staff is necessary to avoid disruption of the on-going implementation of the Program.

Your Committees have amended this measure by:

- (1) Inserting an effective date of June 30, 2017; 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 Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 970, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 970, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 372 Judiciary and Labor on S.B. No. 334

The purpose and intent of this measure is to:

- (1) Require all federal, state, and county primary, special primary, general, special general, and special elections to be conducted by mail beginning with the 2020 primary election;
- (2) Establish an election by mail system, including requirements for ballots, replacement ballots, deficient return of ballots, electronic transmission of ballots under certain conditions, ballot counting, voter service centers, places of deposit, and election expenses and responsibilities;
- (3) Make conforming amendments to existing laws relating to elections to reflect and implement an election by mail system, including the laws relating to voter registration, precinct officials and watchers, election proclamations, postponement of elections due to natural disasters, ballots, voting procedures, ballot counting and election results;
- (4) Make conforming amendments to existing laws relating to absentee voting, including:
 - (A) Repealing language that provides for a permanent absentee ballot clarifying that absentee ballots will be used to request a ballot to be mailed to a temporary address; and
 - (B) Repealing voter registration at an absentee polling place;
- (5) Appropriate funds for the implementation and administration of the elections by mail system; and
- (6) Require the Office of Elections to submit a report to the Legislature prior to the convening of each Regular Session from 2019 to 2023, regarding the implementation and administration of the election by mail program.

Your Committee received testimony in support of this measure from the Office of Elections; Office of the County Clerk, County of Kaua'i; Office of the County Clerk, County of Maui; Office of the City Clerk, City and County of Honolulu; Office of the County Clerk, County of Hawai'i; Americans for Democratic Action Hawai'i; Hawai'i Alliance for Progressive Action; Common Cause Hawaii; League of Women Voters of Hawaii; Sierra Club of Hawai'i; and twenty-seven individuals. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii and two individuals.

Your Committee finds that the trend in Hawaii has been toward increased mail-in voting and that shifting to elections by mail would significantly reduce the logistical issues related to conducting elections. This measure uniformly implements an election by mail voting system for all elections beginning with the 2020 primary election.

Your Committee notes that this measure repeals references to precincts and polling places and further amendments to various applicable laws relating to elections may be necessary as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Amending section 1 to accurately describe the components of the elections by mail program;
- (2) Clarifying that, to the extent practicable, the county clerk shall mail ballot packages so as to enable voters to receive their ballots approximately eighteen days prior to an election;
- (3) Clarifying that the county clerks are primarily responsible for voting operations at voter service centers and places of deposit, per the request of the Office of the City Clerk of City and County of Honolulu;

- (4) Clarifying that to cast a valid ballot or replacement ballot, a voter may personally deliver the ballot at a voter service center or place of deposit or utilize the option to mail the ballot;
- (5) Allowing a voter five, rather than ten, business days after the date of election to cure a deficient return identification envelope;
- (6) Clarifying the times by which a voter must return a voted replacement ballot that was forwarded by electronic transmission;
- (7) Clarifying that if a voter returns multiple voted ballots for the same election, the clerk must prepare only the first ballot returned that is not spoiled, rather than the replacement ballot, for counting;
- (8) When applicable, referencing business days, rather than working days, and adding a definition of “business day” to section 11-1, Hawaii Revised Statutes;
- (9) Deleting references to “precinct” and replacing them, when appropriate, with “district” or “area” and adding a definition of “district” to section 11-1, Hawaii Revised Statutes;
- (10) Reinstating language that requires the county clerk to mail notice that a person is registered to vote within thirty days of registration;
- (11) Deleting language that prohibits a person from being prevented from voting in the precinct due to a name or address change reported on election day;
- (12) Reinstating section 11-76, Hawaii Revised Statutes, and amending the language to clarify that election day officials under the supervision and control of the Office of Elections shall be compensated;
- (13) When applicable under the law relating to the appointment of watchers, replacing references to a precinct chairperson with clerk;
- (14) Clarifying the hours of voter service centers;
- (15) Clarifying that the two hundred-foot radius requirement under section 11-132, Hawaii Revised Statutes, applies to any voter service center, place of deposit, and its appurtenances;
- (16) Adding language to section 11-139, Hawaii Revised Statutes, that clarifies that a person with disabilities may be provided assistance at a voter service center pursuant to any state or federal law relating to persons with disabilities;
- (17) Decreasing the time allowed to file a complaint contesting a primary election result from sixteen to thirteen days after a primary or special primary election so that general election ballots may be prepared in time for overseas voters, per the request of the Office of Elections;
- (18) Deleting references to “precinct official” and replacing, when appropriate, with “election official” and repealing the definition of “precinct official” under section 11-1, Hawaii Revised Statutes, as well as amending the definition of “election official”;
- (19) Deleting section 51, which would have repealed section 15-4, Hawaii Revised Statutes;
- (20) Requiring the Office of Elections to submit its first written report to the Legislature on the implementation and administration of the election by mail program prior to the regular session of 2018, rather than 2019;
- (21) Adding language that requires the Office of Elections to report on any developments in assistive technology that may be implemented to ensure that persons with disabilities are not, on the whole, disadvantaged by the implementation of the election by mail program, including the costs associated with such technology;
- (22) Inserting an effective date of January 7, 2059, to encourage further discussion and making certain section effective on various dates; and
- (23) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 334, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 334, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 373 Judiciary and Labor on S.B. No. 1066

The purpose and intent of this measure is to:

- (1) Require the Office of Elections to implement elections by mail in a county with a population of fewer than 100,000 beginning with the primary election in 2018, and implement elections by mail in each of the other counties for all elections beginning with the 2020 primary election;
- (2) Clarify that a registered voter may request an absentee ballot or permanent absentee ballot in lieu of receiving an election by mail ballot if the registered voter is in a county that has not yet implemented elections by mail and establish that an absentee ballot-only election may continue to be conducted;
- (3) Establish an election by mail system, including requirements for ballots, replacement ballots, deficient return of ballots, electronic transmission under certain circumstances, ballot counting, voter service centers, places of deposit, and election expenses and responsibilities;
- (4) Establish procedures for postponed elections;

- (5) Make conforming amendments to existing laws relating to elections to reflect and implement an election by mail system;
- (6) Allow permanent absentee voters to request that their ballots be temporarily forwarded to another address in or outside of the State for a single election or a primary or special primary election and the election immediately following it;
- (7) Appropriate funds for the implementation and administration of the election by mail system; and
- (8) Require the Office of Elections to submit a report to the Legislature prior to the convening of each Regular Session from 2018 until 2024, regarding the implementation and administration of the election by mail program.

Your Committee received testimony in support of this measure from the Office of Elections; 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 Hawai'i; Americans for Democratic Action Hawai'i; Hawai'i Alliance for Progressive Action; Common Cause Hawaii; League of Women Voters of Hawaii; Sierra Club of Hawai'i; and twenty-six individuals. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii and two individuals.

Your Committee finds that the trend in Hawaii has been toward increased mail-in voting and that shifting to elections by mail would significantly reduce the logistical issues related to conducting elections. This measure implements an election by mail voting system in increments to allow the State to transition to elections by mail through a phased-in approach.

Your Committee notes that S.B. No. 334, Regular Session of 2017, as amended, proposes to uniformly implement an election by mail voting system for all elections beginning with the 2020 primary election. Your Committee further notes that various stakeholders, including the Office of Elections, prefer a phased-in approach rather than uniform implementation of an election by mail system, and believes that both approaches merit further discussion as these two measures move through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 1066, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1066, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 374 Judiciary and Labor on S.B. No. 207

The purpose and intent of this measure is to establish a shared leave program within the Department of Labor and Industrial Relations to allow state employees to donate accumulated sick leave and vacation leave credits to a shared leave bank or directly to another state employee who has a serious personal illness or injury or who has a family member who has a serious personal illness or injury.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and two individuals. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations. Your Committee received comments on this measure from the Department of Human Resources Development.

Your Committee finds that numerous state departments implement shared leave programs within their respective departments, but state employees cannot currently share leave between departments. Your Committee finds that state employees suffering from a serious illness or injury may deplete their paid leave allowance and often depend on shared leave to prevent economic hardship during recovery; therefore, a shared leave program across state departments may benefit many state employees.

Your Committee notes that it has concerns regarding the potential paid leave differential between employees of different levels as well as concerns regarding the potential implementation costs and resources of a shared leave program across all state departments.

Your Committee has amended this measure by:

- (1) Replacing the Department of Labor and Industrial Relations with the Department of Human Resources Development as the entity responsible for implementing the shared leave program;
- (2) Inserting the contents of S.B. No. 886, Regular Session of 2017, as part II, which:
 - (A) Allows an employee's designation of beneficiary form to be filed with the department where the employee is employed; and
 - (B) Permits the designation to be made through a statement that is not verified or written, including through an electronically maintained statement;
- (3) Inserting an effective date of January 7, 2059, 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. 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 375 Judiciary and Labor on S.B. No. 499

The purpose and intent of this measure is to appropriate funds for staff positions and various services to support the Hawaii Zero to Three Court.

Your Committee received testimony in support of this measure from the Judiciary; Department of Human Services; Community Children's Council of Hawaii; Hawaii's Early Childhood Action Strategy; Family Programs Hawaii; Hawaii Family Support Institute; Myron B. Thompson School of Social Work, University of Hawai'i at Mānoa; Parents And Children Together; Rainbow Family 808; ZERO TO THREE; Center on Disability Studies, University of Hawai'i at Mānoa; Hawaii Children's Action Network; and four individuals.

Your Committee finds that the Hawaii Zero to Three Court team works to increase awareness among those who work with maltreated infants and toddlers about the negative effects of abuse and neglect upon young children and strives to change local systems to improve outcomes and court involvement in the lives of very young children. Specifically, this court program trains professionals, secures effective service resources, encourages collaboration among existing community service providers, and increases parent-child contact. Key features of this specialized court include monthly case conferences for each family, monthly court hearings, and a court team composed of a lead family court judge, designated guardian ad litem, parents' counsel, deputy attorneys general, and social workers from the Department of Human Services.

In November 2012, the Hawaii Zero to Three Court lost its national funding, but the Judiciary continued to provide services to infants and families, and the program was transferred for administrative purposes to the Drug Court of the Family Court of the First Circuit. The family drug court has since received funding via a grant through the Substance Abuse and Mental Health Services Administration. However, this grant is scheduled to expire in July 2017. This measure provides funding that is critically needed to ensure continued and enhanced services and resources and to further develop the capacity of the Hawaii Zero to Three Court team.

Your Committee notes that this measure requests funding for a program manager position and case manager position that is not included in the Judiciary's budget request under S.B. No. 469, Regular Session of 2017, as amended. Your Committee believes that the inclusion of these position funding requests in the Judiciary's budget merits further discussion by your Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 499 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 376 Judiciary and Labor on S.B. No. 930

The purpose and intent of this measure is to provide a process by which the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) may void claims for reimbursement of Medicare part B premiums and other debt payable when the total amount payable is less than \$500 and the claim is older than ten years.

Your Committee received testimony in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that the EUTF currently lacks a process by which it may void claims for minor amounts of unclaimed property after a sufficient time period has passed. This measure establishes a mechanism by which the EUTF can void such claims in a similar manner to the Department of Budget and Finance Unclaimed Property Program.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 930, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 377 Judiciary and Labor on S.B. No. 1236

The purpose and intent of this measure is to:

- (1) Stipulate that the Auditor will contract with a suitable entity, rather than an actuarial firm, to perform a study of closed claims in the workers' compensation system;
- (2) Require the study to include the processing time for closed claims;
- (3) Extend the deadline for the study by one year to November 30, 2018, and the deadline to submit the study to the Legislature to twenty days prior to the convening of the Regular Session of 2019; and
- (4) Make an appropriation for the study, contingent on a dollar-for-dollar match by fees assessed to workers' compensation insurers, workers' compensation captive insurers, and workers' compensation self-insureds.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of the Auditor, and ILWU Local 142.

Your Committee finds that Act 188, Session Laws of Hawaii 2016, requires the Auditor to contract with an actuarial firm to conduct a study of closed workers' compensation claims by November 30, 2017, and submit the study to the Legislature prior to the Regular Session of 2018. This measure requires additional information be included in the study, and therefore extends the deadline for the study's completion and provides additional funds.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 1236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 378 (Joint) Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health and Human Services on S.B. No. 716

The purpose and intent of this measure is to establish a pre-arrest diversion pilot project for individuals with mental health or substance abuse challenges who allegedly commit nonviolent, non-felony offenses on state property.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu; Hawaii Youth Services Network; Hawaii Substance Abuse Coalition; Ho'omana Pono, LLC; The Salvation Army; and ten individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Public Safety; Department of Health; Governor's Coordinator on Homelessness; Community Alliance on Prisons; Drug Policy Action Group; Drug Policy Forum of Hawai'i; Harm Reduction Hawaii; Helping Hands Hawai'i; The CHOW Project; and one individual.

Your Committees find that employing alternatives to incarceration for nonviolent, non-felony offenders is important for dealing with overcrowding in prisons and for promoting public welfare. There is growing concern that too many nonviolent, non-felony offenses lead to the offender going to prison instead of receiving the kind of help the offender needs. This is of particular concern when the offender is an individual with mental health or substance abuse challenges. Individuals facing these challenges would be better served if, instead of arrest and incarceration, they were diverted to services targeted at correcting the underlying cause of their nonviolent behavior.

Your Committees also note the testimony of a number of interested parties expressing support for the pre-arrest diversion program, but imploring your Committees to not let the creation of this pilot program interfere with the work of the LEAD Hawai'i Hui in preparation for the Law Enforcement Assisted Diversion program at the county level. Your Committees understand these concerns and believe that the pre-arrest diversion pilot project for individuals with mental health or substance abuse challenges who allegedly commit nonviolent, non-felony offenses on state property created by this measure should function as a complement, but not an impediment, to any efforts ongoing in preparation of the Law Enforcement Assisted Diversion program.

Accordingly, this measure:

- (1) Creates a pre-arrest diversion pilot program in counties having a population of not less than six hundred thousand, which will refer individuals with mental health or substance abuse challenges who allegedly commit nonviolent, non-felony offenses on state property to appropriate community mental health services instead of arresting or citing them;
- (2) Requires the responsible state officer to provide an interim and final report to the Legislature; and
- (3) Appropriates an unspecified amount of funds for the establishment of the pilot program.

Your Committees have amended this measure by:

- (1) Clarifying that a deputy sheriff, appropriately trained under the pilot program, may make a preliminary determination if a person may be a potential participant in the program when the deputy sheriff reasonably believes that the person is engaged in a nonviolent, non-felony offense; 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, Commerce, Consumer Protection, and Health, and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 716, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 716, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Ihara).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 379 (Joint) Public Safety, Intergovernmental, and Military Affairs and Judiciary and Labor on S.B. No. 26

The purpose and intent of this measure is to appropriate funds as a grant-in-aid to the Office of the Prosecuting Attorney for the Hawaii County Career Criminal Prosecution Unit.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Office of the Prosecuting Attorney, Hawai'i County; Department of the Prosecuting Attorney of the City and County of Honolulu; Department of the Prosecuting Attorney, Maui County; Office of the Prosecuting Attorney, Kaua'i County; and one individual. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that supporting a strong and effective prosecutor's office is vital to protecting the health, safety, and welfare of the public. It has long been a recognized problem that a relatively small number of repeat criminals, or "career criminals", commit a disproportionate number of the serious crimes against the public. For that reason, the Legislature created the career criminal prosecution program in 1979. This program has been effective in assisting prosecutors' offices in the counties in delivering swift and effective justice. Accordingly, it is important to continue to provide funding to the Hawai'i County Office of the Prosecuting Attorney for its Career Criminal Prosecution Unit to continue to protect the public from these dangerous career criminals.

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. 26 and recommend that it pass Second Reading and be referred to your 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 (Ihara, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 380 (Joint) Public Safety, Intergovernmental, and Military Affairs and Judiciary and Labor on S.B. No. 491

The purpose and intent of this measure is to appropriate funds as a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Career Criminal Prosecution Unit.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Office of the Prosecuting Attorney, Hawai'i County; Department of the Prosecuting Attorney of the City and County of Honolulu; Department of the Prosecuting Attorney, Maui County; Office of the Prosecuting Attorney, Kaua'i County; and one individual. Your Committees received testimony in opposition to this measure from Ho'omana Pono, LLC, and one individual.

Your Committees find that supporting a strong and effective prosecutor's office is vital to protecting the health, safety, and welfare of the public. It has long been a recognized problem that a relatively small number of repeat criminals, or "career criminals", commit a disproportionate number of the serious crimes against the public. For that reason, the Legislature created the career criminal prosecution program in 1979. This program has been effective in assisting prosecutors' offices in delivering swift and effective justice. Accordingly, it is important to continue to provide funding to the Department of the Prosecuting Attorney of the City and County of Honolulu for its Career Criminal Prosecution Unit so that the office may continue to protect the public from these dangerous career criminals.

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. 491 and recommend that it pass Second Reading and be referred to your 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 (Ihara, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 381 (Joint) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 241

The purpose and intent of this measure is to:

- (1) Require the Airports Division of the Department of Transportation to conduct a study to determine the feasibility and advisability of the Honolulu International Airport's participation in the Transportation Security Administration's screening partnership program; and
- (2) Require the Airports Division of the Department of Transportation to report its findings and recommendations to the Legislature prior to the convening of the Regular Session of 2018.

Your Committees received testimony in opposition to this measure from the Department of Transportation.

Your Committees find that the screening partnership program of the Transportation Security Administration (TSA) contracts security screening services at commercial airports to qualified private companies, which run screening operations under federal oversight and in compliance with all TSA security screening procedures. The overriding goal of the screening partnership program is to ensure that participating airports provide services that meet TSA security and performance standards, and maximize cost savings for taxpayers. This measure will assist in determining whether the Honolulu International Airport could realize a real benefit from participation in the TSA's screening partnership program.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy 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. 241 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 382 (Joint) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 974

The purpose and intent of this measure is to limit the exemption from payment of parking meter fees to vehicles that display a distinguishing parking permit or decal issued to an applicant who presents a certificate of disability that verifies that the applicant is licensed to drive a motor vehicle and cannot reach or operate a parking meter because of a physical disability.

Your Committees received testimony in support of this measure from the Department of Transportation Services of the City and County of Honolulu, Disability Communication and Access Board, Downtown-Chinatown Neighborhood Board No. 13, and two individuals. Your Committees received testimony in opposition to this measure from Hoomana Pono, LLC and one individual.

Your Committees find that the statewide parking program for persons with disabilities, as established under part III of chapter 291, Hawaii Revised Statutes, pursuant to the federal Uniform System for Parking for Persons with Disabilities, provides individuals with mobility disabilities the ability to travel and park in accessible parking stalls.

Your Committees further find that the exemption from payment of parking meter fees for persons with disabilities for the first two-and-a-half hours or the maximum time the meter allows, whichever is longer, was a privilege not intended as a benefit for persons with mobility impairments who qualified for a disability parking permit. It is necessary to distinguish permittees who are licensed drivers and not able to operate parking meters because of a disability from other permittees who are able to operate parking meters.

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 Energy 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. 974, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 974, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 383 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on S.B. No. 1030

The purpose and intent of this measure is to provide exemptions from vehicle registration, safety inspection, and driver licensure requirements for marine terminal equipment and to allow operation of marine terminal equipment between terminal locations.

Your Committees received testimony in support of this measure from the Department of Transportation; Maritime Group, LLC; and one individual.

Your Committees find that this measure promotes operational efficiencies at the harbors by streamlining the existing process to allow marine equipment to be moved between terminals and by affording harbor users to re-allocate resources as needed. The marine equipment that is usually moved between terminals is limited to tractor trucks, forklifts, and top picks, and this flexibility is most needed for terminals at Sand Island.

Your Committees have amended this measure by limiting the exemptions to marine terminal equipment temporarily moving on roads between Sand Island Parkway and Sand Island Access Road.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1030, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1030, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (English).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 384 (Joint) Transportation and Energy and Water and Land on S.B. No. 1147

The purpose and intent of this measure is to require the strategic plan developed by the Hawaii interagency council for transit-oriented development to require that affordable housing be included as part of the development or redevelopment plan for any state property located within one mile of the Honolulu rail transit system.

Your Committees received testimony in support of this measure from the Office of Planning, Hawaii Housing Finance and Development Corporation, and Habitat for Humanity. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that development and construction of affordable housing units is critically needed. Transit-oriented development associated with the construction of a rail transit system in Honolulu has the potential to fulfill this housing goal.

The State has the opportunity to utilize its resources to significantly increase the inventory of affordable housing units, inasmuch as the State is the largest landowner of properties along the rail transit line. Your Committees further find that requiring an affordable housing component as part of development and redevelopment of state properties along the rail transit line will increase the affordable housing stock and support rail ridership goals by locating denser, mixed use developments along the rail transit line.

Your Committees have amended this measure by:

- (1) Increasing the amount of affordable housing to be included in every development or redevelopment plan from twenty to thirty percent with:

- (A) Ten percent reserved for residents with an income less than or equal to thirty percent of the area medium income;
 - (B) Ten percent reserved for residents with an income greater than thirty percent but less than or equal to sixty percent of the area medium income; and
 - (C) Ten percent reserved for residents with an income greater than sixty percent but less than or equal to eighty percent of the area medium income;
- (2) Allowing a developer to build less than the required percentage of affordable housing at one rail station if the developer builds additional housing units at another rail station to offset the reduction;
 - (3) Requiring that the strategic plan developed by the Hawaii interagency council for transit-oriented development include affordable housing as part of the development or redevelopment plan for any state property located within one-half mile of the Honolulu rail transit system rather than within one mile; and
 - (4) Inserting an effective date of January 1, 2020, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1147, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1147, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 385 Transportation and Energy on S.B. No. 1012

The purpose and intent of this measure is to increase the motor vehicle registration fee and various liquid fuel and motor vehicle weight taxes.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Taxation, Hawaii Energy Policy Forum, and American Society of Civil Engineers. Your Committee received testimony in opposition to this measure from Ho‘omana Pono, LLC; and five individuals. Your Committee received comments on this measure from the Hawaii Transportation Association, Tax Foundation of Hawaii, Building Industry Association of Hawaii, and one individual.

Your Committee finds the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. The state land transportation system, however, has not kept abreast with the State’s growing economy, land use development patterns, and increased demand for travel. The costs of programs and projects far exceed the available resources.

Your Committee further finds that the land transportation system will continue to deteriorate as demand for travel continues to increase, and the costs to manage, construct, and administer the system also increase. As the average fuel economy of motor vehicles improves in accordance with the Corporate Average Fuel Economy standards and the increase in electric, plug-in hybrid electric vehicles, and alternative fuel vehicles, it is clear that the current gas fuel tax is not sustainable for future highway funding. The fate of the State’s ability to provide safe and efficient roadways to the public relies upon its ability to acquire the needed funding for all highway programs and projects.

According to testimony, the increase in revenues will provide safer infrastructure enhancements for all users, including pedestrians, bicyclists, transit users, and motorists, and would positively impact the Department of Transportation’s eligibility to qualify state matching funds for the highways federal-aid program.

Your Committee has struggled with the issue of raising fuel taxes and motor vehicle fees. Your Committee believes that research is necessary into alternative means of funding highway construction projects. More innovative revenue generating programs need to be studied to support the state highway fund revenues.

According to a research paper published by the National Conference of State Legislatures (NCSL), “Tax Policy Handbook for State Legislatures” (Third Edition, February 2010), the motor fuel excise tax is the primary funding source for state highway and other transportation programs. The tax typically includes gasoline, diesel fuel, and blended motor fuels and is imposed in all fifty states. Revenue is dependent upon gallons consumed, which is influenced by oil prices, motor vehicle fuel efficiency, alternative fuel sources, and consumer driving patterns. The NCSL found that the motor fuel tax is an inelastic state revenue source, meaning that collections fail to keep pace with inflation and economic growth at a given tax rate. States must periodically increase tax rates to generate the revenue growth required to keep pace with highway maintenance and construction needs. The problem is exacerbated by increased fuel efficiency of cars and trucks, which has prevented fuel tax collections from keeping pace with the number of miles driven.

Your Committee realizes that the fuel tax is a regressive tax, particularly in poor rural areas where residents must commute longer distances to work, shopping, and other necessary activities. Low income people pay a much larger percentage of their incomes in fuel taxes than do middle- and upper income taxpayers. In this sense those persons living in rural and less affluent districts tend to bear the brunt of any increase in fuel taxes because of the longer distances driven.

Your Committee further finds that while fuel taxes raise money, they also influence behavior. By raising fuel taxes, the government would make it more expensive to drive. As a result, people might look for ways to drive less, such as carpooling or taking public transportation. This would reduce air pollution, encourage governments to improve public transportation, and promote energy self-sufficiency.

On the other hand, lower fuel taxes encourage people to drive more and to drive bigger cars, which leads to faster depletion of a finite fossil fuels such as oil, adverse effects on the environment and air quality, more traffic congestion, and faster road and bridge deterioration.

While your Committee understands the position of those who support and those who oppose this measure, your Committee believes it is important to keep the discussion open and to allow this issue to receive further consideration during the legislative process.

Your Committee has amended this measure by:

- (1) Further increasing the fuel tax in each county to 26 cents;
- (2) Reducing the proposed increase of the motor vehicle registration fee from \$75 to \$50 and requiring that \$45 of that fee be deposited into the state highway fund;
- (3) Reducing the proposed increases in the motor vehicle weight tax as follows:
 - (A) For vehicles weighing four thousand pounds or less, from 2.75 cents a pound to 2.00 cents a pound;
 - (B) For vehicles weighing more than four thousand pounds and up to and including seven thousand pounds, from 3.00 cents a pound to 2.25 cents a pounds;
 - (C) For vehicles weighing more than seven thousand pounds and up to and including ten thousand pounds, from 3.25 cents a pound to 2.50 cents a pound; and
 - (D) For vehicles weighing more than ten thousand pounds, from a flat rate of \$400 to \$325; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1012, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1012, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Harimoto). Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 386 Commerce, Consumer Protection, and Health on S.B. No. 868

The purpose and intent of this measure is to amend Hawaii's Uniform Controlled Substances Act to mirror federal regulations, which permit qualified practitioners to administer, dispense, and prescribe any schedule III, IV, or V narcotic drug approved by the Food and Drug Administration for use as a detoxification treatment or maintenance treatment if the practitioner complies with specific federal requirements.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Medical Association, Hawaii Substance Abuse Coalition, Walgreens Co., Community Health Outreach Work, and three individuals.

Your Committee finds that drug scheduling and the regulation of prescribing narcotic drugs in Hawaii are generally kept in accordance with federal standards. Your Committee further finds that it is important for public health and safety to allow qualified practitioners to prescribe and administer necessary narcotic drugs for medically-managed withdrawal, detoxification, and maintenance treatment.

Your Committee has amended this measure by:

- (1) Inserting a provision to update the Uniform Controlled Substances Act to be consistent with federal law which allows prescribing authorization of drugs including buprenorphine and naloxone to patients undergoing detoxification treatment and maintenance treatment by properly registered practitioners;
- (2) Inserting the term "medically-managed withdrawal" to reference treatment that is otherwise known as "detoxification treatment";
- (3) Amending language to permit qualified practitioners to also administer, dispense, and prescribe any schedule II narcotic drug approved by the Food and Drug Administration for use as a detoxification treatment or maintenance treatment;
- (4) Inserting language to require that, in addition to Title 21 Code of Federal Regulations section 1301.28, practitioners may not issue authorized narcotic drugs for use as a detoxification treatment or maintenance treatment unless the practitioner is in compliance with the registration requirements of section 329-32(e), Hawaii Revised Statutes, and any other federal or state regulatory standards relating to treatment qualification, security, records, and unsupervised use of drugs;
- (5) Inserting language that is consistent with federal regulations and allows physicians under certain circumstances to administer narcotic drugs to relieve acute withdrawal symptoms for not more than three days and to treat a person as an incidental adjunct to medical or surgical treatment;
- (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, Consumer Protection, and Health 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 your Committee on Public Safety, Intergovernmental, and Military Affairs.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Espero, Ruderman).

SCRep. 387 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 502

The purpose and intent of this measure is to remove discriminatory requirements for mandatory insurance coverage of in vitro fertilization procedures and create parity of coverage for same-sex couples, unmarried women, and male-female couples for whom male infertility is the relevant factor.

Your Committees received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Democratic Party of Hawai'i; LGBT Caucus of the Democratic Party of Hawai'i; American Civil Liberties Union of Hawai'i; Planned Parenthood Votes Northwest and Hawaii; Hawaii Women's Coalition; Hawai'i LGBT Legal Association; Advanced Reproductive Medicine & Gynecology of Hawaii, Inc.; American Society for Reproductive Medicine; Society for Assisted Reproductive Technology; Young Progressives Demanding Action; and twenty-two individuals. Your Committees received testimony in opposition to this measure from Kaiser Permanente Hawaii. Your Committees received comments on this measure from the Department of Human Services, Hawaii Medical Service Association, and Hawai'i Association of Health Plans.

Your Committees find that under existing law, insurance plans in Hawaii are required to cover a one-time benefit for costs associated with in vitro fertilization procedures, but only if a patient's oocytes are fertilized with the patient's spouse's sperm. As currently written, this mandate discriminates against and essentially restricts a person's access to in vitro fertilization insurance coverage based on that person's gender, sexual orientation, or marital status. Although likely unintentional when enacted, the effect of the mandate also unfairly burdens same sex couples and unmarried women, who may pay up to \$20,000 out of pocket for one in vitro fertilization cycle.

Your Committees further find that this measure removes the discriminatory requirements for mandatory insurance coverage of in vitro fertilization procedures and creates parity of coverage for same-sex couples, unmarried women, and male-female couples for whom male infertility is the relevant factor. Your Committees note that this measure is not intended to expand the in vitro fertilization mandate. Rather, the same types of procedures that are already covered for opposite sex couples, i.e. egg retrieval, fertilization, and embryo transfer, will now be extended to ensure equal access and coverage for same sex couples, single people, and certain male-female couples who wish to start or grow their families.

Your Committees have amended this measure by:

- (1) Clarifying that in vitro fertilization benefits shall be gender neutral, meaning any benefit available for a married couple of the opposite sex shall also be available for same-sex couples and for women regardless of their marital status;
- (2) Clarifying that the covered in vitro fertilization benefit applies to an insured individual and the insured's dependent spouse, as appropriate;
- (3) Specifying that covered benefits are covered expenses directly related to in vitro fertilization services, and do not include other pregnancy-related or other post-in vitro fertilization outpatient services;
- (4) Clarifying that this measure does not apply to the Medicaid program, as Medicaid does not cover any infertility services, including in vitro fertilization;
- (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 Commerce, Consumer Protection, and 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. 502, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 502, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 388 Commerce, Consumer Protection, and Health on S.B. No. 384

The purpose and intent of this measure is to:

- (1) Authorize and establish procedures and criteria for prescriptive authority for clinical psychologists who meet specific education, training, and registration requirements; and
- (2) Require the Board of Psychology to report to the Legislature prior to the Regular Session of 2021.

Your Committee received testimony in support of this measure from the Department of Health; Hawai'i Psychological Association; Mental Health America of Hawai'i; Hawaii Medical Service Association; Hawaii Catholic Conference; Board of Directors of the West Maui Taxpayers Association, Inc.; PHOCUSED; Maryland Academy of Medical Psychologists; forty-five individuals; and a petition signed by over one thousand individuals. Your Committee received testimony in opposition to this measure from the Hawaii Psychiatric Medical Association, Kaiser Permanente Hawaii, ten individuals, and a petition signed by over two hundred individuals. Your Committee received comments on this measure from the Board of Psychology.

Your Committee finds that the mental health needs of individuals in Hawaii continue to outweigh the capacity of the State's mental health system. According to a December 2014 report on findings from the Hawaii Physician Workforce Assessment Project, physician shortages, including psychiatry, are highest in Hawaii's rural areas. The neighbor islands are particularly impacted by a shortage of psychiatrists, with Maui County facing a 41.2 percent shortage, followed by Hawaii County at 39.2 percent, and Kauai County at 29.5 percent.

percent. Although the report did not indicate a shortage of psychiatrists for the City and County of Honolulu, the report did not take into account other aspects of accessibility, such as availability (i.e., how soon and how often a patient can be seen) and acceptability (i.e., the quality of the relationship). Increasing access to qualified health care professionals who are trained in the pharmacological treatment of mental and emotional disorders is therefore of critical importance for the State.

Your Committee further finds that licensed clinical psychologists with specialized education and training in preparation for prescriptive practice have been allowed to prescribe psychotropic medications to active duty military personnel and their families in federal facilities and the United States Public Health Service, including the Indian Health Service, for decades. In recent years, Iowa, Illinois, Louisiana, and New Mexico have successfully adopted legislation authorizing prescriptive authority for advanced trained psychologists. Your Committee additionally finds that the post-doctoral, master's level clinical psychopharmacology training requirement in this measure is equivalent to the American Psychological Association's recommendations for obtaining the requisite sequence of training and certification specific to the practice of prescribing psychotropic medication.

Your Committee also finds that this measure includes multiple safeguards that ensure patient safety and quality patient care. Importantly, your Committee notes that this measure requires a collaborative agreement between a prescribing psychologist and a primary care provider and does not permit a prescribing psychologist to prescribe and administer without a collaborative agreement. For patients who are forensically encumbered or diagnosed with a serious mental illness, this measure requires a prescribing psychologist to work with a Department of Health psychiatrist or enter into a collaborative agreement with the Department of Health. This measure also requires prescribing psychologists to complete extensive coursework and training requirements; pass a rigorous national examination; obtain a federal Drug Enforcement Administration registration number; prescribe and administer only those medications related to the diagnosis and treatment of mental and emotional disorders pursuant to the practice of psychology, but excluding those drugs classified into schedule I, II, or III pursuant to chapter 329, Hawaii Revised Statutes, opiates, or narcotic drugs and all off-label prescribing for patients aged seventeen or younger; but provided that prescribing psychologists may prescribe and administer stimulants for the treatment of attention deficit hyperactivity disorder regardless of the stimulant's schedule classification; and complete continuing education requirements specific to psychopharmacology, in addition to the existing continuing education requirements for licensed clinical psychologists.

Finally, your Committee notes that this measure ensures only those clinical psychologists with appropriate education, clinical training, and registration will be authorized to prescribe. This measure is a collaborative approach to mental health care in the State and is a viable option to benefit and improve access to care in Hawaii's rural and medically underserved areas.

Your Committee has amended this measure by:

- (1) Ensuring consistency between the definition of "prescribing psychologist" in the new part of chapter 465, Hawaii Revised Statutes, and the definition of "psychologist with prescriptive authority privilege" in chapter 329, Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 384, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 384, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Nishihara). Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 389 (Joint) Commerce, Consumer Protection, and Health and Transportation and Energy on S.B. No. 1273

The purpose and intent of this measure is to:

- (1) Prohibit the owner of a moped or a moped dealer or repair shop from modifying a moped, including removing a speed limiter, to increase the top speed and horsepower;
- (2) Make the current fine applicable to moped owners; and
- (3) Increase the penalty for a violation by a moped dealer or repair shop to a petty misdemeanor, punishable by a fine.

Your Committees received testimony in support of this measure from the Department of Transportation, Moped Noise Mitigation Group, and six individuals. Your Committees received testimony in opposition to this measure from six individuals.

Your Committees find that a moped is classified as a device that is limited to a speed of thirty miles per hour and not required to carry motor vehicle insurance, in an effort to encourage the use of a low cost, low speed vehicle. Modifying a moped to travel faster than thirty miles per hour frustrates the intent of the classification and introduces a potential for more serious injury or damage in the event of a crash, which would necessitate insurance coverage. Your Committees further find that if a moped is capable of traveling faster than thirty miles per hour, it does not meet the definition of a moped and instead should be classified as a motor scooter, which requires motor vehicle insurance. This measure clarifies existing requirements for modifications to a moped, including specifically prohibiting the modification of a moped to remove a speed limiter to increase the top speed and horsepower. This will ensure mopeds in Hawaii stay within their appropriate vehicle classification and will alleviate safety concerns.

Your Committees have amended this measure by:

- (1) Clarifying that a moped dealer or repair shop is not in violation unless the dealer or shop is the entity who makes the modification; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Transportation and Energy 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ruderman).

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Shimabukuro).

SCRep. 390 Commerce, Consumer Protection, and Health on S.B. No. 947

The purpose and intent of this measure is to:

- (1) Authorize the Department of Commerce and Consumer Affairs to issue a citation for specific violations of beauty culture laws by licensees and permittees; and
- (2) Establish a process for licensees and permittees in violation of beauty culture laws to contest the citation for the assessment of fines for each violation.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Board of Barbering and Cosmetology.

Your Committee finds that this measure expedites the Regulated Industries Complaints Office's enforcement of certain technical violations of the beauty culture laws and promotes swift compliance by licensees. Your Committee further finds that the citation process established by this measure also enables the Regulated Industries Complaints Office's staff to concentrate their efforts and resources on more serious violations.

Your Committee has amended this measure by:

- (1) Specifying that a beauty shop is a place of business or employment that must display a license or permit in a conspicuous place during all hours of operation in accordance with section 439-2(a), Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 947, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 391 Commerce, Consumer Protection, and Health on S.B. No. 983

The purpose and intent of this measure is to:

- (1) Limit reimbursements for compounded prescription drugs to \$1,000 in a thirty-day period; and
- (2) Limit reimbursements for any schedule II drug under chapter 329, Uniform Controlled Substances Act, Hawaii Revised Statutes, dispensed by a physician to a one-time thirty-day supply upon the first visit.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Department of Labor and Industrial Relations, Department of Human Resources of the City and County of Honolulu, Hawaii Insurers Council, Chamber of Commerce Hawaii, and National Association of Mutual Insurance Companies. Your Committee received testimony in opposition to this measure from the Kauai Community Health Alliance, Hale Lea Medicine; Hawaii Injured Workers Association; Hawaii Friends of Civil Rights; Workstar Injury Recovery Center; Automated HealthCare Solutions; and nine individuals. Your Committee received comments on this measure from the International Longshore and Warehouse Union, Local 142.

Your Committee finds that there are many reasons why an individual may need compounded prescription drugs, which are usually prescribed for those who need a medication that is not commercially available and for which no other medication is appropriate. However, according to testimony received by your Committee, there has been a steady increase in prescriptions for compound preparations and medications in the treatment of injured workers. This increase in use led to a twenty-one percent increase in total medical costs for all Hawaii employers between 2011 and 2015. In some cases, the increase in use has also led to an exorbitantly high cost for compound drugs. This measure attempts to control costs and limit abuse by imposing a limit on reimbursements for compounded prescription drugs in a thirty-day period.

Your Committee also finds that a nationwide drug epidemic, associated with prescription pain relieving drugs, is causing alarming rates of addiction, overdose, and death. This measure attempts to address the issue of misuse and abuse of prescription drugs by limiting reimbursements for any schedule II drug under the Uniform Controlled Substances Act that is dispensed by a physician to an initial thirty-day supply upon the injured worker's first visit with the physician. However, your Committee believes that it is important to address the opioid epidemic in the workers' compensation arena in a similar manner as opioid use has been addressed in other areas. Amendments to this measure are therefore needed that limit schedule II drugs to a seven-day initial supply and require an informed consent process.

Your Committee has amended this measure by:

- (1) Changing the reimbursement for compounded prescription drugs from \$1,000 to an unspecified amount in a thirty-day period;
- (2) Specifying that reimbursements for any schedule II drug under chapter 329, Uniform Controlled Substances Act, Hawaii Revised Statutes, dispensed by a physician shall be limited to an initial seven-day supply;

- (3) Requiring an opioid therapy informed consent process agreement to be executed between an injured employee and any prescriber of opioids within the State under certain conditions;
- (4) Requiring the Harm Reduction Services Branch of the Department of Health to develop and make available a template of an opioid therapy informed consent process agreement between injured employees and prescribers for use in the State and advise the Department of Labor and Industrial Relations on the contents of the agreement;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (6) Requiring that the opioid therapy informed consent process agreement be in use no later than thirty days after the effective date of this measure; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 983, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 983, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 392 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 953

The purpose and intent of this measure is to make various updates to the State's insurance code relating to: insurance fraud penalties; certificates of authority; motor vehicle insurance self-insurers; nonresident adjusters; insurance producer licensing; third-party claimants; and supervisory proceedings undertaken by the Insurance Commissioner.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and National Association of Insurance and Financial Advisors. Your Committees received comments on this measure from the Hawaii Insurers Council, Hawaii Medical Service Association, and Property Casualty Insurers Association of America.

Your Committees find that the Insurance Commissioner must currently wait until a catastrophe has occurred, before issuing a declaration that permits the use of nonresident adjusters in the State. Among other things, this measure proactively allows the Commissioner to trigger the arrival and assistance of nonresident adjusters in the State ahead of a declaration of emergency by the Governor.

Your Committees further find that this measure also conforms the State's producer licensing requirements to the National Association of Insurance Commissioners' Producer Licensing Model Law by eliminating producer-to-producer appointments. In 2001, the Insurance Division deviated from the model law to conform with the then-current system, and as a result, Hawaii is now the only state that has a producer-to-producer appointment law. This measure ensures Hawaii's insurance code is uniform with other states' statutes. Your Committees note that a delayed effective date for the producer licensing requirements proposed by this measure has been requested to provide adequate time for individual producers to discuss the new agreements with each insurer they represent.

Finally, your Committees have heard the testimony that this measure may conflate first-party and third-party concepts for motor vehicle damage liability claims, which could lead to confusion. Your Committees requested that interested stakeholders work on consensus language to address the third-party claimant issue. Amendments to this measure are necessary to incorporate this consensus language, although your Committees note that revisions to the consensus language may be needed as this measure moves through the legislative process.

Your Committees have amended this measure by:

- (1) Clarifying the process for payment of general excise tax and certificate of ownership fees when a motor vehicle insurer settles a total loss motor vehicle damage liability claim with a third-party claimant;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; provided that the provisions relating to producer licensing shall take effect January 1, 2019; 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, Consumer Protection, and 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. 953, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 953, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 393 (Joint) Commerce, Consumer Protection, and Health and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 190

The purpose and intent of this measure is to amend Hawaii's Uniform Controlled Substances Act to mirror federal regulations, which permit qualified practitioners to administer, dispense, and prescribe any schedule III, IV, or V narcotic drug approved by the Food and Drug Administration for use as a detoxification treatment or maintenance treatment if the practitioner complies with specific federal requirements.

Your Committees received testimony in support of this measure from the Department of Public Safety, Hawaii Substance Abuse Coalition, Walgreens Co., and one individual. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that drug scheduling and the regulation of prescribing narcotic drugs in Hawaii are generally kept in accordance with federal standards. Your Committees further find that it is important for public health and safety to allow qualified practitioners to prescribe and administer necessary narcotic drugs for medically-managed withdrawal, detoxification, and maintenance treatment.

Your Committees have amended this measure by:

- (1) Inserting a provision to update the Uniform Controlled Substances Act to be consistent with federal law which allows prescribing authorization of drugs including buprenorphine and naloxone to patients undergoing detoxification treatment and maintenance treatment by properly registered practitioners;
- (2) Inserting the term “medically-managed withdrawal” to reference treatment that is otherwise known as “detoxification treatment”;
- (3) Amending language to permit qualified practitioners to also administer, dispense, and prescribe any schedule II narcotic drug approved by the Food and Drug Administration for use as a detoxification treatment or maintenance treatment;
- (4) Inserting language to require that, in addition to Title 21 Code of Federal Regulations section 1301.28, practitioners may not issue authorized narcotic drugs for use as a detoxification treatment or maintenance treatment unless the practitioner is in compliance with the registration requirements of section 329-32(e), Hawaii Revised Statutes, and any other federal or state regulatory standards relating to treatment qualification, security, records, and unsupervised use of drugs;
- (5) Inserting language that is consistent with federal regulations and allows physicians under certain circumstances to administer narcotic drugs to relieve acute withdrawal symptoms for not more than three days and to treat a person as an incidental adjunct to medical or surgical treatment; 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, Consumer Protection, and 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. 190, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 190, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 394 Hawaiian Affairs on S.B. No. 1304

The purpose and intent of this measure is to establish a Native Hawaiian public policy advisory council to be administratively housed within the Lieutenant Governor’s Office on a temporary basis.

Your Committee received testimony in support of this measure from the Department of Health, Office of Hawaiian Affairs, Native Hawaiian Task Force, and fourteen individuals.

Your Committee finds that health disparities are differences in the incidence, prevalence, burden, and adverse outcomes of diseases and higher mortality rates. Disparities simply imply differences. Health equity refers to the attainment of the highest level of health and well-being for all people in a particular society and valuing everyone equally. In order to achieve health equity, efforts must be made to address avoidable inequalities and injustices.

Senate Resolution No. 60, S.D. 1, Regular Session of 2014, created a Native Hawaiian health task force, to specifically improve the health of Native Hawaiians with implications for other Pacific Islanders and all people of Hawai’i by focusing on health inequities that are preventable and avoidable. The goal of the task force was to articulate priority areas that will help to advance health equity for Native Hawaiians, and in turn, the health of Hawai’i’s entire population. The framework and recommendations by the task force discussed were embraced by community members, agencies, government, and individuals in addition to those who view themselves as native-serving institutions. This work was community- and land-focused and emphasized Native Hawaiian values and aspirations.

Your Committee has amended this measure by:

- (1) Changing the name of the council to the Native Hawaiian Health Advisory Council;
- (2) Establishing the Council permanently and changing the administrative placement of the Council to the Office of Health Equity of the Department of Health;
- (3) Specifying that the Office of Health Equity of the Department of Health shall be responsible for selecting all members of the Native Hawaiian Health Advisory Council, except the two members representing the general community;
- (4) Designating the Chair of the Department of Native Hawaiian Health of the John A. Burns School of Medicine, or the Chair’s designee, and the Chief Executive Officer of the Office of Hawaiian Affairs, or the Chief Executive Officer’s designee, as ex officio, nonvoting members of the Native Hawaiian Health Advisory Council;
- (5) Changing the legislator members of the Council; 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1304, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Kim).

SCRep. 395 (Joint) Economic Development, Tourism, and Technology and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 704

The purpose and intent of this measure is to establish and appropriate funds for an online vacation rental working group to develop effective data collection methods that can assist state and county governments in monitoring the impact that short-term vacation rentals have on tax collection, housing stock, and the State's brand as a vacation destination.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Planning and Permitting of the City and County of Honolulu; Rental by Owner Awareness Association; and six individuals. Your Committees received comments on this measure from the Department of Taxation; Airbnb; and Hawai'i Association of REALTORS.

Your Committees find that there are currently more than forty online platforms that facilitate thousands of short-term rentals ranging from rental opportunities for single rooms to entire homes and villas. Your Committees find that an online vacation rental working group will help develop effective data collection methods that can assist state and county governments in monitoring the impact that short-term vacation rentals have in the State.

Your Committees have amended this measure by:

- (1) Adding a member to the online vacation rental working group from the Hawaii Association of REALTORS; 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, Tourism, and Technology 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. 704, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 704, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Economic Development, Tourism, and Technology: Ayes, 4. Noes, none. Excused, 1 (Thielen).
Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 396 (Joint) Economic Development, Tourism, and Technology and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1201

The purpose and intent of this measure is to facilitate the deployment of high-speed broadband infrastructure in Hawaii, including wireless facilities, by:

- (1) Establishing limits on the State's and counties' authority to prohibit, regulate, or charge for the co-location of small wireless facilities or small wireless facilities networks;
- (2) Specifying certain sites where small wireless facilities or small wireless facilities networks may be located, including conditions and maximum fees for location and co-location; and
- (3) Establishing an application process for co-location.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; State of Hawaii, Office of Planning; AT&T; CTIA; Mobilitie; and Sprint. Your Committees received testimony in opposition to this measure from Hawaiian Telcom. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Cable Television Division; and Hawaiian Electric Company, Inc.

Your Committees find that broadband technology is now a critical part of infrastructure and that it is important to facilitate the deployment of high-speed broadband technology for the future global connectivity and economic viability of the State. Broadband technology is essential across multi-sector industries and provides for enhanced educational opportunities, expansion of telehealth capacity, strengthening safety and civil defense communications, increasing economic competitiveness, addressing consumer privileges, and providing tourism services. Your Committees find that this measure will support economic development and innovation in the State related to the increased demand for broadband connectivity.

Your Committees have amended this measure to:

- (1) Establish the rate produced by applying the formula adopted by the Federal Communications Commission for telecommunication pole attachments in 47 C.F.R. 1.1409(e)(2) as the maximum rate for co-location of a small wireless facility on state or county structures, utility poles, or light standards located within all public rights-of-way and property, rural or agricultural district lands, and urban district lands;
- (2) Specify that if the Federal Communications Commission adopts a rate formula for small wireless facility attachments, that adopted rate shall apply; and
- (3) Make 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, Tourism, and Technology 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. 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 referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 4. Noes, none. Excused, 1 (Baker).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 397 Economic Development, Tourism, and Technology on S.B. No. 910

The purpose and intent of this measure is to replace the Department of Business, Economic Development, and Tourism's requirements associated with the certification, administration, and verification of the renewable fuels production tax credit with a survey of the renewable fuels production tax credit.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Tax Foundation of Hawaii; and one individual.

Your Committee finds that the Department of Business, Economic Development, and Tourism lacks the resources and expertise required to effectively conduct the certification, verification, and administration requirements of the renewable fuels production tax credit. Your Committee further finds that this measure will align the department's existing resources and expertise with statutory requirements while still providing collection data about the tax credit's effectiveness.

Your Committee has amended this measure by:

- (1) Specifying that taxpayers claiming the credit are required to pay for any costs related to obtaining the certification; and
- (2) Making 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, Tourism, and Technology 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 398 Economic Development, Tourism, and Technology on S.B. No. 767

The purpose and intent of this measure is to establish the High-Growth Grant Program within the Department of Business, Economic Development, and Tourism to assist qualified businesses by providing grants for specific business development purposes.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Chamber of Commerce Hawaii; Maui Chamber of Commerce; and Hawaii Farm Bureau. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that diversifying the economy is critical to the future of the State. Your Committee further finds that the grants provided by this measure would allow qualified business to expand business operations, improve business productivity, and invest in food safety or quality control programs.

Your Committee has amended this measure by lowering the maximum grant amount under the High-Growth Grant Program from forty percent to twenty percent of the amount a qualified business privately invests in another business.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 767, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 767, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 399 Economic Development, Tourism, and Technology on S.B. No. 1221

The purpose and intent of this measure is to ensure the continued viability of the State's sea salt manufacturing industry by addressing the Food and Drug Administration's industry guidance on the use of color additives in sea salt products.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Sea Salts of Hawai'i; Hawaii Kai Corporation; and one individual.

Your Committee finds that the Department of Business, Economic Development, and Tourism will need professional and knowledgeable assistance to address the complex issue of the Food and Drug Administration's industry guidelines pertaining to color additives in sea salt products. Your Committee finds that Hawaiian sea salts are very popular in Hawaii and around the world. Your Committee further finds that local companies selling Hawaiian sea salts need support to address the federal guidelines to be able to continue selling their products locally and abroad.

Your Committee has amended this measure by deleting all specific dollar amounts in the appropriation sections.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 400 Economic Development, Tourism, and Technology on S.B. No. 908

The purpose and intent of this measure is to provide greater clarity and effect to the Small Business Regulatory Flexibility Act.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; Chamber of Commerce Hawaii; Hawaii Business League; Ocean Tourism Coalition; and one individual. Your Committee received comments on this measure from the Department of Taxation and Hawaii Farm Bureau.

Your Committee finds that the Small Business Regulatory Review Board provides oversight, guidance, and advocacy regarding regulations impacting small business in the State. Your Committee finds that increasing the number of board members from nine to eleven is intended to alleviate quorum problems. Your Committee further finds that adopting a more explicit definition of “small business” clarifies the powers of the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 908 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 401 Economic Development, Tourism, and Technology on S.B. No. 900

The purpose and intent of this measure is to:

- (1) Amend the qualifications for Hawaii Community-Based Economic Development Technical and Financial Assistance Program (Program) grants to include technical assistance to community-based organizations; and
- (2) Reduce the number of Community-Based Economic Development Advisory Council members from twelve to ten.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and the Hawai‘i Alliance for Community-Based Economic Development.

Your Committee finds that this measure will help the Program assist more community-based organizations that serve distressed areas of the State. Your Committee further finds that the Community-Based Economic Development Advisory Council faces difficulty in meeting due to lack of quorum and that lowering the number of advisory council members from twelve to ten will make it easier to schedule meetings and take official action.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 900 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 402 (Joint) Hawaiian Affairs and Higher Education on S.B. No. 560

The purpose and intent of this measure is to appropriate funds to the University of Hawai‘i to translate the Hawai‘i State Constitution into the Hawaiian language.

Your Committees received testimony in support of this measure from the University of Hawaii System; Kūamahi Community Education Group of Kamehameha Schools; and fifteen individuals.

Your Committees find that article X, section 4, of the Hawai‘i State Constitution provides in pertinent part, “The State shall promote the study of Hawaiian culture, history and language.” In addition, article XV, section 4, of the Hawai‘i State Constitution establishes Hawaiian as one of two official languages of the State of Hawai‘i. The legislature further finds that the Hawai‘i State Constitution is officially published only in English.

Your Committees further find that this measure is a positive step in the continued revitalization of the Hawaiian language. According to testimony of the University of Hawai‘i, its College of Hawaiian Language, Ka Haka ‘Ula O Ke‘elikōlani, has the expertise and capacity to provide translation of the state constitution.

As affirmed by the records of votes of the members of your Committees on 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. 560 and recommend that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (Green, Kim).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 403 (Joint) Hawaiian Affairs and Higher Education on S.B. No. 1294

The purpose and intent of this measure is to develop an undergraduate health sciences academy within the University of Hawai‘i System, in cooperation with relevant educational institutions, to target the recruitment and retention of Native Hawaiian and Pacific Islander students and first generation college attendees.

Your Committees received testimony in support of this measure from the University of Hawai'i System; Department of Human Services; UH West Oahu Allied Health Faculty; Native Hawaiian Health Task Force; Kamehameha Schools; and numerous individuals.

Your Committees find that multiple studies testing for factors leading to retention have identified that the more Native Hawaiian students are involved in school activities and the more interaction they have with faculty and their peers, the more likely they are to persevere and succeed in their higher education.

Your Committees further find that health care sector employment is projected to increase by more than one hundred sixty percent by 2040, and the wages in that sector are typically more consistent with a livable wage in Hawaii. These jobs typically require a bachelor's degree at minimum. Currently only about fifteen percent of Native Hawaiians or Pacific Islanders hold bachelor's degrees.

Senate Resolution No. 60, S.D. 1, Regular Session of 2014, created the Native Hawaiian health task force to improve the health of Native Hawaiians and Pacific Islanders. The goal of the task force is to articulate priorities to advance health care equity for Native Hawaiians which would in turn improve health care for all people of Hawaii. The findings for establishment of a framework were widely discussed and embraced by government agencies, community members, and affected stakeholders. The work of the task force recognized past efforts to improve the health of Native Hawaiians. The task force used nā pou kihi as the cultural framework to organize its findings and recommendations. This measure is an outcome of the recommendations of the task force.

Your Committees further find that establishment of a health sciences academy with a focus on Native Hawaiian student retention would promote integration of students into the academic college milieu. This measure reflects the position of the Senate on Native Hawaiian health care, which is to support:

- (1) Collaborative efforts to ensure that funding for Native Hawaiian health care continues;
- (2) Native Hawaiians and Pacific Islanders by focusing on essential social and cultural determinants that improve health outcomes amongst the State's indigenous population;
- (3) Options to improve health care for keiki and residents in rural areas; and
- (4) Collaborative efforts to provide better dental care for keiki and adults throughout the State's communities.

As affirmed by the records of votes of the members of your Committees on 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. 1294 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (Green, Kim).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 404 Education on S.B. No. 553

The purpose and intent of this measure is to:

- (1) Require remote schools to be allocated funds using categorical allotments, rather than through the weighted student formula;
- (2) Define a remote school as any public school that is a high school located at least a one-hour drive away from the next nearest high school, or a high school located on the island of Lanai, Molokai, or Niihau; and
- (3) Specify the minimum number of teachers for Hana High and Elementary School.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Education Caucus of the Democratic Party of Hawaii, and three individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that the weighted student formula was intended to make funding for public education more equitable, transparent, and decentralized. Your Committee further finds that the weighted student formula has had the unintended consequence of limiting academic programming for children in small and rural schools because such schools have additional logistical constraints due to their sizes and remote locations that the formula does not take into account. Your Committee additionally finds that this limiting effect is especially severe at Hana High and Elementary School. This measure will ensure that small and remote schools are given the level of resources that they require rather than the insufficient resources that they might receive under the weighted student formula alone.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 553 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 405 Education on S.B. No. 496

The purpose and intent of this measure is to require the Department of Education to provide training on social and emotional learning to all youth-serving educators, health care professionals and counselors, agencies and programs, and parents of students enrolled in public schools or public charter schools.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Special Education Advisory Council, Hawaii Youth Services Network, Community Children's Council of Hawaii, Early Childhood Action Strategy, IMUAlliance, and one individual. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that the development of social and emotional skills is vital to the success of Hawaii's students. Your Committee further finds that training on social and emotional learning will help educators and other professionals within the State's public schools and public charter schools to create a safe and civil environment for students and reduce bullying, cyberbullying, and other disruptive or harmful behavior. This measure will ensure that Hawaii's education professionals are equipped to provide social and emotional skill learning services to their students.

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. 496 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 406 Education on S.B. No. 836

The purpose and intent of this measure is to:

- (1) Allow the Department of Education to offer voluntary training for teachers and educational officers on sex trafficking prevention; and
- (2) Require the Department to provide explanatory information about sex trafficking prevention and response to teachers and educational officers.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii State Teachers Association, UNITE, and IMUAlliance.

Your Committee finds that schools are one of the main social institutions outside of the family in which children have constant contact with adults and their peers. Your Committee further finds that regular, prolonged interaction with students in the classroom provides teachers with an excellent opportunity to identify the warning signs that a student might be at risk of sex trafficking or exploitation. This measure will equip teachers and educational officers with resources to help prevent sex trafficking and respond to the risk that sex trafficking poses to Hawaii's students.

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. 836 and recommends that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 407 Education on S.B. No. 466

The purpose and intent of this measure is to require the Legislative Reference Bureau to conduct a study of the non-facility general fund per-pupil funding system for public charter schools, to determine whether the system fulfills its statutory purpose of equalizing operational funding among the State's public schools.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, State Public Charter School Commission, Hawaii State Teachers Association, Hawaii Public Charter School Network, Kamehameha Schools, Hālaū Kū Māna Public Charter School, Kona Pacific Public Charter School, IMUAlliance, and twenty-one individuals. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that public charter schools in Hawaii receive a majority of their funding through a general per-pupil allotment. Your Committee further finds that the per-pupil allotment is intended to provide equal funding to public charter schools as compared to Department of Education schools. Your Committee additionally finds that questions have been raised regarding whether or not the per-pupil allotment achieves its purpose of providing equal funding, and whether a disparity in per-pupil funding exists. This measure will mandate a study, conducted by the Legislative Reference Bureau, to assess whether the per-pupil allotment system provides for equal operational funding for public charter schools as compared to Department of Education schools.

Your Committee has amended this measure by:

- (1) Requiring the Department of Education and the State Public Charter School Commission to jointly designate the data that the Department and Commission will provide to the Legislative Reference Bureau;
- (2) Exempting fringe benefit costs from the study;
- (3) Authorizing the Legislative Reference Bureau to enter contracts for services, exempt from the requirements of chapter 103D, Hawaii Revised Statutes, to conduct the study;
- (4) Adding language appropriating \$50,000 to the Legislative Reference Bureau to contract for services to conduct the study; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 466, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 466, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 408 Education on S.B. No. 193

The purpose and intent of this measure is to require the Department of Education to develop a program to provide cardiopulmonary resuscitation instruction to students as part of the high school health or physical education curriculum.

Your Committee received testimony in support of this measure from the Department of Education, American Heart Association, Hawaii Public Health Institute, Hawaii Pacific Health, and four individuals.

Your Committee finds that sudden cardiac arrest is a leading cause of death in the United States. Your Committee further finds that during sudden cardiac arrest, the heart cannot pump blood through the body, and irreversible brain damage or death frequently result because emergency response teams cannot reach the victim in time. Your Committee additionally finds that cardiopulmonary resuscitation is a technique that can extend the window of time for help to arrive. Your Committee also finds that many sudden cardiac arrests occur in the home, at school, or in public places, and that many victims' lives could potentially be saved if people near the victim were proficient in cardiopulmonary resuscitation. This measure will equip Hawaii's students with developing proficiency in a potentially lifesaving skill that can be utilized throughout their lifetime and result in a greater percentage of people surviving from a sudden cardiac arrest.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 193, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 409 Education on S.B. No. 510

The purpose and intent of this measure is to:

- (1) Formally establish the Hawaii keiki: health and ready to learn program within the Department of Education; and
- (2) Appropriate \$4,000,000 to expand and sustain the program.

Your Committee received testimony in support of this measure from the Department of Education, Executive Office on Early Learning, University of Hawai'i System, Hawaii State Center for Nursing, State Public Charter School Commission, Hawaii State Teachers Association, Hawaii Medical Service Association, Hui for Excellence in Education, Hawaii Pacific Health, Healthcare Association of Hawaii, Lanai Community Health Center, American Diabetes Association, Kapiolani Child Protection Center, IMUAlliance, Project Vision Hawaii, Hawaii Children's Action Network, and fifteen individuals. Your Committee received testimony in opposition to this measure from the American Academy of Pediatrics and one individual. Your Committee received comments on this measure from the Department of Human Services, Department of Health, Hawaii Public Health Institute, Coalition for Children with Special Needs, and Special Education Advisory Council.

Your Committee finds that the Hawaii keiki: healthy and ready to learn program has expanded access to health services for many of the State's students. Your Committee further finds that the partnerships that the Department of Education has formed with other state and private entities have created a foundation upon which an expanded program may be built. Your Committee additionally finds that an expanded program will be able to offer services in new areas of healthcare that students have not previously had access to in Hawaii's schools. This measure will formally establish and expand the Hawaii keiki: healthy and ready to learn program to offer improved access to healthcare to Hawaii's students.

Your Committee has amended this measure by:

- (1) Requiring the Department of Education to collaborate with the University of Hawaii at Manoa School of Nursing and Dental Hygiene in addition to the Department of Health and the Department of Human Services;
- (2) Adding an appropriation of \$500,000 for a vision screening and eye assessment tool appropriate for children in kindergarten through grade twelve; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 410 (Joint) Higher Education and Human Services on S.B. No. 529

The purpose and intent of this measure is to support the University of Hawaii's Center on Aging by appropriating funds for an associate professor position and an associate specialist position within the Center on Aging.

Your Committees received testimony in support of this measure from the University of Hawai'i at Mānoa Myron B. Thompson School of Social Work; Policy Advisory Board for Elder Affairs; Maui County Office on Aging; AARP Hawaii; Hawai'i Family Caregiver Coalition; Kāhala Senior Living Community, Inc.; and eight individuals.

Your Committees find that Hawaii's aging population is growing at a faster rate than the rest of the nation, and seniors in Hawaii have the highest life expectancy in the country. Your Committees further find that gerontological education and workforce development are crucial to prepare for the aging population and address the needs of the State's kupuna. Your Committees note that the University of Hawaii Center on Aging plays a critical role in the State's aging network by working with government and service providers to offer education, consultation, research, and program development and evaluation.

Your Committees have amended this measure by:

- (1) Inserting an effective date of May 12, 2059, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 529, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 529, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Keith-Agaran).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 411 (Joint) Higher Education and Commerce, Consumer Protection, and Health on S.B. No. 141

The purpose and intent of this measure is to support physician workforce assessment and planning to assist with the strategic recruitment and retention of physicians for rural and medically underserved areas of Hawaii by allowing the University of Hawaii John A. Burns School of Medicine to continue to receive a portion of the physician workforce assessment fee.

Your Committees received testimony in support of this measure from the University of Hawai'i System, 'Ohana Health Plan, AlohaCare, Lanai Community Health Center, The Queen's Health Systems, Hawaii Medical Association, Hawai'i Academy of Family Physicians, and eleven individuals. Your Committees received comments on this measure from the Hawaii Medical Board.

Your Committees find that Hawaii has a shortage of over five hundred doctors. In addition to this shortage, Hawaii has the fifth oldest physician workforce in the country. Your Committees find that access to quality healthcare requires supporting the recruitment and retention of healthcare professionals, especially in rural and medically underserved areas such as many areas throughout the neighbor islands.

Your Committees note the worthwhile efforts that the physician workforce assessment project has assisted with in recent years, including malpractice reform, continuing education, loan repayment to physicians working in areas of need, and advertising of all open positions in Hawaii to graduates in healthcare professions. Future efforts of the program include state-matched loan relief to new providers in the areas of highest unmet need, promotion of Hawaii careers at mainland conferences, providing bonuses for providers practicing in underserved areas, and the formation of an office of rural training to promote practice in underserved areas. Your Committees find that funding from the physician workforce assessment fee will allow Hawaii to act quickly with concrete solutions to adequately address the physician workforce shortage in the State.

Your Committees have amended this measure by:

- (1) Inserting a sunset date that allows the University of Hawaii John A. Burns School of Medicine to continue receiving a portion of the physician workforce assessment fee until June 30, 2022; 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 Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 141, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 141, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Nishihara).

SCRep. 412 Higher Education on S.B. No. 1317

The purpose and intent of this measure is to support the Academy for Creative Media at the University of Hawaii at Manoa by appropriating funds for the renovations of soundstages and studio spaces within the facility at 2350 Dole Street, Honolulu, Oahu, for use by the Academy for Creative Media.

Your Committee received testimony in support of this measure from the Academy for Creative Media at the University of Hawai'i at Manoa; Screen Actors Guild-American Federation of Television and Radio Artists, Hawaii Local; International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts, Local 665; Musicians' Association of Hawai'i, Local 677; Teamsters Local 996; Island Film Group; and eighty individuals. Your Committee also received a petition and statement of support of this measure signed by a few hundred individuals. Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

Your Committee finds that the Academy for Creative Media was first established at the University of Hawaii at Manoa as the State's first film school. Your Committee further finds that a modern and thriving film school is valuable to the State because it encourages Hawaii's creative youth to remain in the State and attracts others to pursue higher education in Hawaii, which benefits the State's film and media industries.

Your Committee appreciates the numerous students and individuals that testified on this measure. Your Committee finds that the Academy for Creative Media is a successful program with remarkable passion and pride expressed by current and former students and faculty, as well as by the community. Your Committee acknowledges that the program is constrained by the temporary facilities in which it resides, and that it needs a permanent home with adequate amenities to thrive as a twenty-first century media program and a research-one education program.

Your Committee heard testimony from the University of Hawaii System about the current condition of the former PBS building located at 2350 Dole Street, Honolulu, Oahu, and the evaluation currently taking place to determine whether this facility is an appropriate home for the Academy for Creative Media. Your Committee appreciates that the University must balance its financial resources and assess the system-wide needs for capital improvements, but also wants to ensure that the Dole Street facility is given proper consideration as a much-needed space for the Academy for Creative Media program.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a blank appropriation amount;
- (2) Inserting an effective date of May 12, 2059, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1317, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 413 Higher Education on S.B. No. 1040

The purpose and intent of this measure is to require the University of Hawaii System to develop an academic and facilities master plan for all campuses.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Hawaii Educational Policy Center. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that long-term campus planning is vital to the creation of a cohesive higher education learning environment. Your Committee further finds that the University of Hawaii has not updated its long range development plan since 2007. Your Committee additionally finds that an update to the University of Hawaii's long range development plan could be beneficial, but your Committee does recognize the significant areas of concern that have been raised about this measure.

As such, your Committee has amended this measure by:

- (1) Inserting an effective date of May 12, 2059, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1040, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 414 Higher Education on S.B. No. 1081

The purpose and intent of this measure is to provide a state income tax deduction of up to \$5,000 per year for student loan interest paid on qualified educational loans.

Your Committee received testimony in support of this measure from three individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the costs associated with postsecondary education often forces students to go into debt. Student debt has increasingly become a burden on individuals and families. This measure will encourage Hawaii residents to pursue postsecondary education by establishing an income tax deduction for qualifying student loan interest payments. Your Committee further finds that the State already offers deductions for student loan interest, and notes that the income tax deduction provided in this measure will be in addition to existing deductions.

Your Committee has amended this measure by:

- (1) Adding language clarifying that the income tax deduction in this measure is in addition to any other deduction provided by chapter 235, Hawaii Revised Statutes;
- (2) Inserting an effective date of May 12, 2059, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1081, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1081, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Kidani).

SCRep. 415 Agriculture and Environment on S.B. No. 29

The purpose and intent of this measure is to establish buffer zones against pesticide use around sensitive areas.

Your Committee received testimony in support of this measure from the Kauai Joint Fact Finding Group; Green Party of Hawaii; Democratic Party of Hawai'i; Hawaii Island School Garden Network; League of Women Voters of Hawaii; Sustainable Coastlines Hawaii; SHAKA Movement; SAFE Action Fund; Pesticide Action Network North America; Hawai'i Alliance for Progressive Action; Western Plant Health Association; 'Ohana o Kaua'i; EcoTipping Points Project; Hawai'i Center for Food Safety; Hawaii Nurses Association, OPEIU Local 50; Americans for Democratic Action; Environmental Caucus of the Democratic Party of Hawai'i; Education Caucus of the Democratic Party of Hawai'i; Sustainable Action for Environment; We Are One, Inc.; and three hundred eighty-one individuals. Your Committee received testimony in opposition to this measure from the Hawaii Crop Improvement Association; Hawai'i Farm Bureau; CropLife America; Chamber of Commerce Hawaii; Hawaii Cattlemen's Council, Inc.; DuPont Pioneer; Ponoholo Ranch, Limited; Alexander & Baldwin, Inc.; and one hundred thirty-three individuals. Your Committee received comments on this measure from the Department of Agriculture and three individuals.

Your Committee finds that many residents in the State are very concerned about the long-term health effects and potential impacts of pesticide drift, especially as the number of large-scale, outdoor, commercial agricultural operations in the State continues to increase. Your Committee supports efforts to increase common sense regulation of pesticide use in the State and is aware that pesticide use is necessary for the modern-day farmer to keep pests at bay. Your Committee does not wish to impede farmers who are working hard to increase local food production; however, your Committee believes that protecting Hawaii's youth and seniors in highly sensitive areas, like schools, hospitals, day care facilities, and nursing homes, from the potential negative effects of long-term pesticide exposure and protecting streams from possible pesticide run-off are of the utmost importance.

Your Committee has amended this measure by:

- (1) Requiring that, within 18 months of the effective date, the Department of Agriculture, based on input from the Advisory Committee on Pesticides, adopts rules that determine the amounts, distances, and wind speeds relating to pesticide use and buffer zones that are currently blank in 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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 29, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 29, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3; Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Nishihara, Rhoads).

SCRep. 416 Commerce, Consumer Protection, and Health on S.B. No. 1235

The purpose and intent of this measure is to:

- (1) Appropriate funds as a grant to Hāna Health to continue Hāna Health's ability to meet the ongoing needs of the isolated Hāna community;
- (2) Appropriate funds as a grant to the Waianae Coast Comprehensive Health Center to assist with the operation of its twenty-four-hour emergency medical room to continue to serve the residents of the Waianae coast; and
- (3) Require funding for Hāna Health and the Waianae Coast Comprehensive Health Center's emergency services to be included in the Department of Health's base budget beginning with the 2018-2019 fiscal year.

Your Committee received testimony in support of this measure from the Hawaii Primary Care Association, Hawaii College of Emergency Physicians, Waianae Coast Comprehensive Health Center, Hawaii Dental Hygienist's Association, Hāna Health, and twelve individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that Hāna Health's twenty-four-hour emergency medical services programs and the Waianae Coast Comprehensive Health Center provide essential emergency medical services to their respective communities. Furthermore, these facilities are linked to the state emergency medical service system and the state plan for disaster response. Therefore, it is essential that a long term funding option is made available to these facilities to ensure the continued stability of the provision of emergency services by these providers.

Your Committee has amended this measure by:

- (1) Blanking out the amount appropriated as a grant to support Hāna Health for fiscal year 2017-2018;
- (2) Blanking out the amount appropriated as a grant to the Waianae Coast Comprehensive Health Center for operation of its twenty-four-hour emergency room for fiscal year 2017-2018; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee would like to note that the original appropriation amounts inserted in this measure to support Hāna Health and the Waianae Coast Comprehensive Health Center were \$1,500,000 and \$1,925,000, respectively, and requests that your Committee on Ways and Means takes into consideration these figures during its deliberation.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 417 (Joint/Majority) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 977

The purpose and intent of this measure is to abolish the Hawaii Health Authority, which was created for overall health planning for the State and to develop a comprehensive plan to provide universal health care in Hawaii.

Your Committees received testimony in support of this measure from the Department of Health and Department of Human Services. Your Committees received testimony in opposition to this measure from the Americans for Democratic Action Hawai'i; We are One, Inc.; Community Coalition for Hawaii Universal Healthcare Through Comprehensive Planning; Healthcare for All Hawaii; Democratic Party of Hawai'i; and forty-eight individuals. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that the Hawaii Health Authority was established in 2009 to be responsible for overall health planning for the State and to develop a comprehensive plan to provide universal health care in Hawaii. However, the State Health Planning and Development Agency and the Health Care Innovation Office also conduct comprehensive health planning activities. As the private health care sector continues to evolve in response to federal policy changes, new business models, and emerging technologies, abolishing the Hawaii Health Authority moves the State toward more efficient and streamlined health planning and policy management. Your Committees further acknowledge the concerns and reservations raised by members of your Committees during the hearing, however, your Committees feel strongly that the purpose of this measure is important for the health sector of our State and is worthy of further consideration, thus your Committees hope that a strong consensus of the members can be achieved as this measure moves through the legislative process.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 977 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 4; Ayes with Reservations (Espero, Nishihara). Noes, 1 (Ruderman).
Excused, 2 (Ihara, Kidani).
Judiciary and Labor: Ayes, 4; Ayes with Reservations (Rhoads). Noes, none. Excused, 1 (Gabbard).

SCRep. 418 Commerce, Consumer Protection, and Health on S.B. No. 946

The purpose and intent of this measure is to update the existing authority of the Department of Commerce and Consumer Affairs to adjust licensing fees, subject to the approval of the Governor, to include:

- (1) Six licensing regulatory areas that are currently not referenced in section 92-28, Hawaii Revised Statutes; and
- (2) All future licensing regulatory areas specifically and statutorily assigned to the Department of Commerce and Consumer Affairs.

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 Hawaii Chapter of the American Physical Therapy Association.

Your Committee finds that since 2007, six new licensing areas have been added to the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs for regulation. These new licensing areas include athletic trainers, behavior analysts, mixed martial arts, respiratory therapists, uniform athlete agents, and veterinary technicians. By authorizing the Department to adjust licensing fees for these licensing areas and any future licensing regulatory areas assigned to the Department, the Department will be able to increase or decrease fees for all licensees across professional and vocational areas under its jurisdiction. Your Committee notes that this measure merely updates the statutes to include the new and potential future licensing areas and does not establish new fees.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 419 (Joint) Economic Development, Tourism, and Technology and Water and Land and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 703

The purpose and intent of this measure is to use an objective formula to appropriate funds for the protection and enhancement of the State's infrastructure and natural resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Conservation Council for Hawai'i, Hawai'i Lodging & Tourism Association; Malama Pupukeya-Waimea, and eighteen individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Hawaii Tourism Authority, and County of Hawaii.

Your Committees find it crucial to support the State's infrastructure and natural resources, which attract millions of tourists but also sustain heavy impacts, by allocating funds to further protect and enhance the State's infrastructure and natural resources. With the

steady rise of visitors to the State in recent years, your Committees find it important to ensure support to manage and maintain state parks, beaches, and other natural resources.

Your Committees have amended this measure by:

- (1) Removing all language allocating portions of the Hawaii Tourism Authority's budget to support the Department of Land and Natural Resources or to support the counties;
- (2) Allocating two percent of the transient accommodations tax to the special land and development fund for the management, maintenance, and development of trails and trail access, state parks, beaches, and other natural resources;
- (3) Changing the effective date to July 1, 2017; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology, 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. 703, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 703, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 4. Noes, none. Excused, 1 (Thielen).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 420 (Joint) Hawaiian Affairs and International Affairs and the Arts on S.B. No. 601

The purpose and intent of this measure is to:

- (1) Amend the membership, mission, and purpose of the King Kamehameha Celebration Commission;
- (2) Authorize the Chairperson of the King Kamehameha Celebration Commission to appoint an advisory committee for historical and archival matters;
- (3) Authorize the King Kamehameha Celebration Commission to appoint an Executive Director;
- (4) Establish the King Kamehameha celebration special fund; and
- (5) Appropriate funds for expenses arising out of the annual King Kamehameha Day celebration events.

Your Committees received testimony in support of this measure from the Makaha Hawaiian Civic Club, Ali'i Pauahi Hawaiian Civic Club; Hawaiian Affairs Caucus of the Democratic Party of Hawai'i; O'ahu Council of the Association of Hawaiian Civic Clubs; Ke One O Kākūhihewa, O'ahu Council of the Association of Hawaiian Civic Clubs; Waimānalo Hawaiian Homes Association; and twelve individuals. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that King Kamehameha was a leader for all people of Hawai'i, regardless of island or county residency. Therefore, it is only fitting that as the population of each island grows, the composition of the membership of the King Kamehameha Celebration Commission likewise grow in order to be as equitable as possible.

Your Committees have amended this measure by:

- (1) Increasing the membership on the King Kamehameha Celebration Commission to fifteen by adding representation for the island of Lana'i;
- (2) Deleting language that would have required the Governor to appoint four at-large members representing each of the counties to the King Kamehameha Celebration Commission; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and International Affairs and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 601, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 601, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 4. Noes, none. Excused, 1 (Kim).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 421 (Joint) Transportation and Energy and Housing on S.B. No. 591

The purpose and intent of this measure is to:

- (1) Authorize the Director of Finance to issue general obligation bonds to construct affordable rental units and homes, including infrastructure improvements at specified Hawaii public housing projects and temporary transitional housing or homeless shelters; and
- (2) Allow monies from the conveyance tax and the county surcharge on state tax to be used to repay the bonds.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Hawaiian Home Lands; Hawaii Public Housing Authority; Waikiki Health; IMUAlliance; Hunt Development Group, LLC; Hawai'i Construction Alliance; and seven 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, Department of Budget and Finance, and Tax Foundation of Hawaii.

Your Committees find that the cost of housing and the lack of affordable rentals and properties for sale are two of the most pressing issues facing the State, and that the lack of housing inventory has driven up the cost of rental properties and homes for sale. In November 2016, the median price of a home in Hawaii was \$584,400. On Oahu, where the shortage of affordable housing is most acute, the median sale price for single-family houses, as reported by the Honolulu Board of REALTORS, was \$730,000.

Your Committees further find that a shortage of affordable housing is one of the primary causes of homelessness in Hawaii. More units must be constructed to meet the growing demand for affordable housing. Government-owned land is available for housing, but infrastructure is insufficient in many areas, including for transit-oriented development. It is projected that meeting long-term housing goals will require 64,000 new housing units by 2025, and of that total, 22,200 households of all income levels will require rental units.

If your Committee on Ways and Means chooses to consider this measure, your Committees request that it take under advisement the suggestion of the Department of Taxation that a specific percentage or amount of the conveyance tax that may be used to repay general obligation bonds for the purposes of this measure be determined.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 591 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahale, Nishihara).

SCRep. 422 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy on S.B. No. 1207

The purpose and intent of this measure is to appropriate funds to the Agribusiness Development Corporation for a study to be conducted in cooperation with the United States Army Corps of Engineers on the merits of acquiring Lake Wilson dam and spillway to develop pumped-storage hydroelectricity, provided that the federal government makes a dollar-for-dollar match.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; Hawai'i Farm Bureau; American Society of Civil Engineers; Life of the Land; and two individuals.

Your Committees find that renewable energy is important to the State's energy goals, and hydroelectric facilities can serve as a feasible alternative energy source to meet these goals. Your Committees further find that the study proposed by this measure may provide valuable insight into the broader development of pumped-storage hydroelectricity throughout the State.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment, Public Safety, Intergovernmental, and Military Affairs, and Transportation and Energy 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 referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Riviere).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 423 (Joint) Agriculture and Environment and Government Operations and Transportation and Energy on S.B. No. 559

The purpose and intent of this measure is to ensure statewide support for Hawaii's green initiatives and to further the State's commitment to combat climate change by systematically reducing and mitigating greenhouse gas emissions through the enactment of principles that mirror many of the provisions adopted in the Paris Agreement.

Your Committees received testimony in support of this measure from the Sierra Club of Hawaii; Americans for Democratic Action Hawaii; Hawai'i Green Growth; The Nature Conservancy; Life of the Land; Conservation Council of Hawai'i; Hawaii Island School Garden Network; Hawaii Farmers Union United; The Maritime Group, LLC; The Island Agency; and three individuals. Your Committees received testimony in opposition to this measure from fifteen individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Accounting and General Services, and Office of Planning.

Your Committees find that not only is climate change real, but it is the overriding challenge of the 21st century and one of the priority issues of the Senate. Your Committees also find that on December 12, 2015, one hundred ninety-five countries at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change adopted an agreement addressing greenhouse gas emissions mitigation, adaptation, and finance starting in the year 2020, known as the Paris Agreement. Your Committees support the goals of the Paris Agreement to combat climate change and its effects on environments, economies, and communities around the world and find it necessary that the State enact provisions to further mitigate Hawaii's greenhouse gas emissions.

Your Committees further find that the Hawaii Climate Adaptation Initiative Act, Act 83, Session Laws of Hawaii 2014, established the climate change adaptation priority guidelines and authorizes the Office of Planning to coordinate the development of a statewide climate adaptation plan. Your Committees therefore note that the Office of Planning may be better suited than the Department of Accounting and General Services to serve as the agency responsible for implementation of this measure.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment, Government Operations, and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 559 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Kim, Tokuda).

Transportation and Energy: Ayes, 5. Noes, none. Excused, none.

SCRep. 424 (Joint) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 221

The purpose and intent of this measure is to:

- (1) Establish a photo red light imaging detector systems program to improve enforcement of the traffic signal laws;
- (2) Allow counties to implement the photo red light imaging detector systems program;
- (3) Authorize fines collected under county programs to be deposited into a general fund account;
- (4) Authorize funds from this general fund account to be expended in the county in which the fine was collected for the establishment, operation, management, and maintenance of the photo red light imaging detector systems program; and
- (5) Make an appropriation for the program.

Your Committees received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and two individuals. Your Committees received testimony in opposition to this measure from the Office of the Public Defender and two individuals.

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.

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 Energy 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. 221, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 221, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 4; Ayes with Reservations (English). Noes, none. Excused, 1 (Harimoto).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 425 Judiciary and Labor on S.B. No. 262

The purpose and intent of this measure is to authorize the Department of the Attorney General to expend up to \$50,000 from the criminal forfeiture fund each year beginning in fiscal year 2017-2018 for the Hawaii internet crimes against children program.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the internet crimes against children special fund was established to assist law enforcement to investigate and prosecute internet crimes against children and groups working directly to combat internet crimes against children. By authorizing the Department of the Attorney General to expend up to \$50,000 from the criminal forfeiture fund each year for efforts in combatting internet crimes against children, this measure will further assist in protecting children.

Your Committee has amended this measure by:

- (1) Clarifying for the purposes of accuracy that the department of the attorney general is authorized to transfer up to \$50,000 per year from the criminal forfeiture fund into the internet crimes against children special fund, rather than directly expend those criminal forfeiture funds for the Hawaii internet crimes against children program;
- (2) Authorizing the deposit of monies transferred from the criminal forfeiture fund into the internet crimes against children special fund under section 846F-4, Hawaii Revised Statutes;
- (3) Inserting an effective date of January 7, 2059, 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. 262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 262, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 426 Economic Development, Tourism, and Technology on S.B. No. 905

The purpose and intent of this measure is to:

- (1) Broaden the sources of revenue for and rename the Hawaii Television and Film Development Special Fund created in section 201-113, Hawaii Revised Statutes; and
- (2) Repeal sections of the law pertaining to the Hawaii Television and Film Development Board.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; County of Kaua'i, Office of Economic Development; SAG-AFTRA Hawaii; I.A.T.S.E. Local 665; A.F.M. Local 677; Teamsters Local 996; and Island Film Group. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that this measure amends terms to appropriately reflect the significant and ongoing advances in the creative media and film industry. More importantly, this measure proposes a mechanism to capture film studio rental fees that would be used to support infrastructure, repair, and maintenance of current and future studios. Your Committee further finds that sections of the law pertaining to the Hawaii Television and Film Development Board are unnecessary and should be repealed, as the board has been inactive for over ten years.

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, Tourism, and Technology 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 427 Economic Development, Tourism, and Technology on S.B. No. 765

The purpose and intent of this measure is to:

- (1) Add the definition of "qualified community development entity" to section 210D-2, Hawaii Revised Statutes, to allow financing to be provided through the Hawaii Community-Based Economic Development Technical and Financial Assistance Program through a structure that facilitates the use of federal new markets tax credits;
- (2) Expand the methods of delivering funding to a project under the Program by providing loans to capitalize a qualified community development entity and to provide guarantees or other credit enhancements that will facilitate private lenders' participation in new markets tax credit financing; and
- (3) Adjust loan maximums and establish guarantees or credit enhancements to reflect monetization of existing project assets for purposes of new markets tax credit financing.

Your Committee received testimony in support of this measure from Pacific Growth Associates. Your Committee received testimony in opposition to this measure from the Department of Business, Economic Development, and Tourism. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the Hawaii Community Based-Economic Development Technical and Financial Assistance Program was established to provide financial assistance to community-based businesses and enterprises through low-interest loans and grants to qualifying applicants. Your Committee finds that the federal New Markets Tax Credit program similarly maintains the goal of creating material and economic improvements through community economic development. Your Committee finds that citing to the federal program in this measure helps support both programs for the purpose of supporting community-based businesses in Hawaii. Your Committee further finds that this measure supports the community-based organizations to continue to play an important role in social and economic development in the State.

Your Committee has amended this measure by:

- (1) Removing all references to the State providing guarantees and credit enhancements; and
- (2) Making 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, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 765, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 765, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 428 Economic Development, Tourism, and Technology on S.B. No. 1086

The purpose and intent of this measure is to:

- (1) Extend the motion picture, digital media, and film production income tax credit for an additional five years;
- (2) Place a cap on the annual aggregate amount of the credit; and
- (3) Clarify that qualifying production costs are those costs incurred and expended within the State.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii; ILWU Local 142; Hawaii State AFL-CIO; Motion Picture Association of America; SAG-AFTRA Hawaii Local; I.A.T.S.E. Local 665; A.F.M. Local 677; Teamsters Local 996; and two individuals. Your Committee received comments on this measure from the Department of Taxation, Office of the Auditor, and Tax Foundation of Hawaii.

Your Committee finds that the film industry in Hawaii is an important component of a diversified economy. Your Committee finds that the motion picture, digital media, and film production income tax credit is an effective means of stimulating the economy and creating quality jobs while promoting Hawaii as a visitor destination. Your Committee further finds that the extension of the motion picture, digital media, and film production income tax credit will provide stability and predictable economic incentives for the film industry and people employed in the film industry in the State.

Your Committee has amended this measure by:

- (1) Specifying that taxpayers claiming the tax credit are required to prequalify for the credit by registering with the Film Office of the Department of Business, Economic Development, and Tourism, and are required to obtain certification from the Film Office;
- (2) Specifying that the Department of Business, Economic Development, and Tourism reporting requirement regarding fiscal impact to the State entails reporting on those film productions receiving the tax credit;
- (3) Requiring that to qualify for the tax credit, a production must provide evidence of recognition, ability to understand, and efforts to respect and comply with cultural and environmental sensitivities in sensitive locations; including employing or contracting for the services of cultural resources or historical, cultural, or language experts to advise the production;
- (4) Requiring that to qualify for the tax credit a production must agree that if the production claims a credit of more than \$8,000,000, the production will provide an advanced screening of the finished product in the county of the island in which the majority of the production took place;
- (5) Removing the cap on the annual aggregate amount of the credit; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1086, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1086, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 429 Judiciary and Labor on S.B. No. 276

The purpose and intent of this measure is to:

- (1) Change the composition of judges of the Intermediate Appellate Court, circuit courts, district courts, and family courts; and
- (2) Make housekeeping amendments to the laws relating to the composition of judges of the Intermediate Appellate Court, circuit courts, district courts, and family courts.

Your Committee received testimony in opposition to this measure from the Judiciary, Hawaii State Bar Association, and one individual.

Your Committee finds that this measure updates the language of the laws relating to the composition of judges of the Intermediate Appellate Court, circuit courts, district courts, and family courts. Your Committee notes the concerns regarding how changing the composition of judges in the various courts will impact court operations and budgetary needs. Your Committee further notes that S.B. No. 469, Regular Session of 2017, as amended, creates and requests potential funding for one district court judge position for the second circuit and that the creation of this potential position would require an amendment to section 604-1, Hawaii Revised Statutes, to implement.

Accordingly, your Committee has amended this measure by:

- (1) Reinstating the number of judges of the Intermediate Appellate Court, circuit courts, district courts, and family courts;
- (2) Increasing the number of judges of the district court of the second circuit from three to four judges; 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. 276, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 276, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 430 Judiciary and Labor on S.B. No. 469

The purpose and intent of this measure is to appropriate funds for operating and capital improvement costs of the Judiciary for the fiscal biennium beginning July 1, 2017, and ending June 30, 2019.

Your Committee received testimony in support of this measure from the Judiciary, Mothers Against Drunk Driving Hawaii, the Hawaii County Bar Association, the Hawaii State Bar Association, Legal Aid Society of Hawaii, the Maui County Bar Association, Pua Foundation, Volunteer Legal Services Hawaii, the West Hawaii Bar Association, and eight individuals.

Your Committee finds that the Judiciary is in need of additional judges and staff in the various circuits to meet the rising demand for services. For example, the fifth circuit, on the island of Kauai, has been operating with only one district court judge and one district family court judge since 1984. Your Committee also finds that certain specialty court programs are in need of funding to replace expiring grant funding and that capital improvement projects for the Judiciary's aging infrastructure need to be addressed. However, your Committee notes that the Council on Revenues has expressed concern that future general fund revenues may be less than expected in light of recent economic forecasts.

Therefore, your Committee believes that it is fiscally prudent to: fund a portion of the Judiciary's request for additional judicial and staff positions, while authorizing the Chief Justice to determine which of those judicial and staff positions to establish with the funds; and not commit to funding in the 2018-2019 fiscal year for certain programs, with the understanding that funding for those programs in the second year of the biennium may be reassessed during the next legislative session, after the benefit of up-to-date economic forecasts of general fund revenues.

Your Committee has amended this measure by:

- (1) Amending the definition of "position ceiling" to include temporary full-time equivalent positions within the maximum number of positions authorized for a particular program;
- (2) Reducing the appropriations to JUD101, JUD310, JUD320, JUD330, JUD350, and JUD601 to reflect changing the appropriations for salary differentials for justices, judges, the Administrative Director, and the Deputy Administrative Director to the nominal amount of \$1 to facilitate further discussion;
- (3) Reducing the appropriations to JUD310, JUD320, and JUD350 to reflect eliminating the appropriations for the family court judge and staff for JUD310, the district court judge and staff for JUD320, and the family court judge and staff for JUD350, and increasing the appropriation to JUD601 in fiscal biennium 2017-2019 to provide the Chief Justice with an appropriation to fund a portion of the judicial and staff positions, according to priorities established by the Chief Justice;
- (4) Reducing the appropriation to JUD310 to reflect eliminating the fiscal year 2018-2019 funding for the driving while impaired court program, Hawaii zero to three program, and veteran treatment court;
- (5) Reducing the appropriation to JUD330 to reflect eliminating the fiscal year 2018-2019 funding for the veteran and drug courts; and
- (6) Eliminating the fiscal year 2018-2019 capital improvement project request for equipment for the new judiciary complex in Kona on the island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 469, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 431 Judiciary and Labor on S.B. No. 854

The purpose and intent of this measure is to authorize the Director of Labor and Industrial Relations or the Director's designee to issue a stop-work order to an employer, until the employer complies with chapter 388, Hawaii Revised Statutes, relating to the payment of wages and other compensation.

Your Committee received testimony in support of this measure from BKA Builders Inc., Allied Builders System, Hawai'i Construction Alliance, Alan Shintani Inc., and Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Subcontractors Association of Hawaii; Ocean Tourism Coalition; Sea Paradise Scuba, Inc.; and Maui Dive Shop. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Chamber of Commerce Hawaii, and General Contractors Association of Hawaii.

Your Committee finds that when an employer fails to pay wages in accordance with chapter 388, Hawaii Revised Statutes, without justification, the employer is liable for monetary penalties; however, these penalties are not always effective deterrents, and in some cases, employers continue to operate illegally.

Your Committee appreciates the seriousness of the issues that have given rise to the necessity of this measure; however, your Committee shares the concerns stated in the testimony of the Department of Labor and Industrial Relations (DLIR) that this measure, as introduced, may be problematic in achieving its intended purpose and may abrogate due process required prior to the imposition of penalties.

To address these concerns, your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language that is substantially similar to proposed language in the testimony of the DLIR, which allows the DLIR to issue notifications of stop-work orders to employers in violation of Chapter 388, Hawaii Revised Statutes, relating to the payment of wages and other compensation;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that in this measure, as amended by your Committee, the number of days within which an appeal must be heard and within which a decision for that appeal will be rendered by a hearings officer have been left blank. As the measure moves forward, your Committee encourages the DLIR to discuss with stakeholders how the process proposed by this measure might be further refined.

As affirmed by the record of votes of the members of your Committee 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 432 Judiciary and Labor on S.B. No. 888

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 \$652,602.09 in appropriations from the general fund to satisfy eleven claims against the State, a total of \$5,552,020.44 in appropriations from the state highway fund to satisfy three claims against the State, and a total of \$116,000.00 in appropriations from the harbor special fund to satisfy one claim against the State. The grand total for the fifteen claims settled in this measure as received by your Committee is \$6,320,622.53. Timely passage of this measure will minimize the State's obligation to pay interest on those amounts.

Your Committee notes the written testimony submitted by the Department of the Attorney General, which requests the addition of two new claims that have been resolved since this measure was introduced. The addition of these two new claims results in a total of \$1,671,102.09 in appropriations needed from the general fund.

Your Committee has amended this measure by:

- (1) Adding general fund appropriations for two claims totaling \$1,018,500, as requested by the Department of the Attorney General, which increases the grand total of appropriations in this measure to \$7,339,122.53 in order to satisfy a total of seventeen claims against the State, its officers, or its employees;
- (2) Correcting the subtotal amount of appropriations from the general fund to satisfy the claims involving the Department of Public Safety to \$563,000.00;
- (3) Inserting an effective date of January 7, 2059, 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. 888, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 888, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 433 Judiciary and Labor on S.B. No. 936

The purpose and intent of this measure is to:

- (1) Extend the pension benefit adjustment finalization period by one month for those who retire on December 31;
- (2) Change the interest rate for late benefit finalizations;
- (3) Extend the deadline from one to two fiscal years following retirement for employer payments of additional retirement contributions associated with significant non-base pay increases; and
- (4) Allow delegation of certain disability retirement benefit and accidental death benefit approval functions.

Your Committee received testimony in support of this measure from the Employees' Retirement System.

Your Committee finds that this measure serves as a housekeeping measure for the Employees' Retirement System to correct and make consistent finalized benefit adjustment periods, address employer concerns regarding payments for pension "spiking", and improve the efficiency of processing disability and accidental death claims.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 936, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 936, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 434 (Joint) Higher Education and Economic Development, Tourism, and Technology on S.B. No. 1252

The purpose and intent of this measure is to support the intercollegiate athletics program at the University of Hawaii by requiring that monies from the transient accommodations tax be distributed to the University of Hawaii at Manoa and University of Hawaii at Hilo for the next three fiscal years to offset the higher and unique costs of the schools' athletic programs.

Your Committees received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Mānoa Athletic Department, University of Hawai'i at Hilo Athletic Department, Imanaka Asato LLLC, Outrigger Enterprises Group, and eight 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 the intercollegiate athletics program at the University of Hawaii is unique compared to athletic programs at other institutions. Substantial travel expenses for Hawaii's teams, subsidization of travel expenses of some visiting teams, and unique recruiting challenges make it difficult for University of Hawaii athletic teams to compete at the same level as peer universities. For example, University of Hawaii at Manoa athletic costs are approximately \$5,200,000 higher than its peer institutions.

Your Committees find that Hawaii does not have any professional sports teams and, therefore, collegiate athletic teams from Hawaii represent Hawaii on the mainland and internationally as ambassadors of aloha and representatives of all the people in Hawaii. Your Committees further find that athletics at the University of Hawaii at Manoa and the University of Hawaii at Hilo are a great source of pride to local communities and the State as a whole. In addition, athletics at these universities are a significant economic driver, bringing in visiting teams and families which positively benefits local businesses.

Your Committees support funding the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo. Your Committees note that an alternative funding source, the tourism special fund, has funds available for the next two years. More specifically, the Hawaii Tourism Authority allocates significant funds for the Pro Bowl each year that the sporting event is held in Hawaii. However, the Pro Bowl is under contract to be held outside of the State for the next two years, which makes funding available from the Hawaii Tourism Authority to benefit the valuable intercollegiate athletics program at the University of Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the provision that allocates a portion of the transient accommodations tax to help fund the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo;
- (2) Inserting language to distribute \$3,000,000 from the tourism special fund to the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo beginning on July 1, 2017;
- (3) Inserting language to make the distribution from the tourism special fund to the intercollegiate athletic programs repeal on June 30, 2019; 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 Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1252, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1252, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4; Ayes with Reservations (Espero). Noes, none. Excused, 1 (Keith-Agaran).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 435 (Joint) Higher Education and Transportation and Energy on S.B. No. 651

The purpose and intent of this measure is to make pilot schools that are approved by the Federal Aviation Administration subject to the oversight of the Hawaii Post-Secondary Education Authorization Program.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that currently no mechanism exists for a flight school that is accredited and approved by the Federal Aviation Administration to obtain state approval of its operations. Your Committees additionally find that Hawaii's Department of Education licenses private trade, vocational, and technical schools that do not offer degrees, but that there is an exception for flying schools qualified under the Federal Aviation Administration. Your Committees note testimony provided by the Department of Commerce and Consumer Affairs that the Department of Education has the discretion to regulate any school that falls under an exception.

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 Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 651, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 651, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Shimabukuro).

SCRep. 436 (Joint) Higher Education and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1247

The purpose and intent of this measure is to make an appropriation, subject to the availability of matching funds, to the University of Hawaii to conduct necessary studies to ascertain the feasibility and benefits of establishing a small satellite launch and processing facility, as well as to conduct any related public outreach programs.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Pacific International Space Center for Exploration Systems; University of Hawai'i at Hilo; Office of the Mayor, County of Hawai'i; Oceanit; Alaska Aerospace Corporation; X-Bow Launch Systems Inc.; W.H. Shipman Limited; Hawaii Island Chamber of Commerce; David S. De Luz, Sr. Enterprises, Inc.; Hawaii Island Economic Development Board; and fifteen individuals.

Your Committees find that the small satellite industry in Hawaii is an emerging market and is rapidly transforming space access to the communications, imaging, navigation, and data industries. Hawaii provides a unique opportunity for the small commercial satellite market because it is located at an ideal geographic site for the launching of satellites into low earth equatorial orbit. Estimates indicate that more than 3,600 small satellites are expected to be launched in the next ten years which has an industry value of more than \$22,000,000,000. Your Committees further find that it is important for the State to support this expanding industry in order to remain competitive and realize the enormous potential economic benefits in this area. Your Committees recognize that success of the emerging small satellite industry requires public-private partnerships, and that the private sector has increasingly expressed interest in establishing space-oriented businesses in Hawaii.

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. 1247 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Kidani).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

SCRep. 437 Transportation and Energy on S.B. No. 1015

The purpose and intent of this measure is to allow the Department of Transportation to deposit funds from the environmental response, energy, and food security tax fund into the state highway fund.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Tax Foundation of Hawaii and one individual.

Your Committee finds that a safe, efficient, and effective highway system is vital to the public's well-being. The State's land transportation system is in constant need of repair and maintenance. As the demand for travel increases, the State's roads will continue to deteriorate and require an even greater allocation of resources. Currently, the bulk of the necessary resources are provided through fuel tax dollars that flow through the Federal Highway Trust Fund and the state highway fund. However, the proliferation of more fuel-efficient vehicles and alternative fuel vehicles means that the amount of available funds for highway maintenance and repair is declining and will continue to decline in the future. Therefore, it is essential that the State look to alternative sources of revenues. Accordingly, this measure allows the Department of Transportation to deposit 60 cents of each barrel of petroleum product subject to the environmental response, energy, and food security tax into the state highway fund.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1015 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 438 (Joint) Public Safety, Intergovernmental, and Military Affairs and Housing on S.B. No. 99

The purpose and intent of this measure is to prohibit any county from disqualifying a legal nonconforming dwelling unit from the housing choice voucher program if the unit meets zoning and building code requirements and other program standards such as health and safety standards.

Your Committees received testimony in support of this measure from Ho'omana Pono, LLC. Your Committees received comments on this measure from the Hawaii Public Housing Authority and Department of Community Services of the City and County of Honolulu.

Your Committees find that a lack of available housing options is a critical issue facing the State's citizens. Measures that limit housing availability have the additional negative effect of also increasing home prices and rents. It is therefore necessary to remove as many barriers to affordable housing as possible. This measure confronts this issue by limiting a county's ability to disqualify a legal nonconforming dwelling unit from the housing choice voucher program.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 99 and recommend that it pass Second Reading and be referred to your 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 (Baker).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 439 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1298

The purpose and intent of this measure is to eliminate the one-year residency requirement for appointment to a county chief of police position.

Your Committee received testimony in support of this measure from the Honolulu Police Commission. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that employing highly qualified law enforcement officers is essential for the health, safety, and welfare of the public. The need for highly-qualified individuals is especially important in law enforcement leadership positions. Given the difficulties in recruiting and retaining the best and most highly-qualified individuals for law enforcement leadership positions, it is important to remove barriers that further reduce the available pool of hireable individuals. Accordingly, this measure provides an exemption from the one-year state residency requirement for individuals appointed as the head of a county police department.

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. 1298 and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 440 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1154

The purpose and intent of this measure is to require that the comprehensive loss reduction plan of the Hawaii Hurricane Relief Fund include developing and implementing building code hurricane standards and funding for the adoption of administrative rules to implement state building code and design standards.

Your Committee received testimony in support of this measure from the Hawaii Emergency Management Agency, Department of Public Works of the County of Kauai, Department of Emergency Management of the City and County of Honolulu, Hawaii State Fire Council, Honolulu Fire Department, American Council of Engineering Companies, Mason Contractors Association of Hawaii, Structural Engineers Association of Hawaii, and five individuals. Your Committee received comments on this measure from the Hawaii Hurricane Relief Fund.

Your Committee finds that mitigating future losses due to hurricanes is essential for the public's health, safety, and welfare. The losses resulting from hurricanes can be devastating and wide-ranging. Along with the obvious property damage that hurricanes can cause, hurricanes can also impact the cost and availability of hurricane insurance. The Hawaii Hurricane Relief Fund was created to develop a comprehensive loss reduction plan for hurricane peril, including standards for residential and commercial structures and a timetable for the implementation of mandatory mitigation measures. In addition, the State Building Code Council is also responsible for establishing residential and hurricane resistant standards related to loss mitigation standards. However, the Council has never been properly funded and has consequently been limited in its ability to carry out its duties. Moreover, the overlapping responsibilities of the Hawaii Hurricane Relief Fund and the State Building Code Council have created confusion and resulted largely in a failure to implement the proper building standards and develop a loss mitigation plan. Therefore, it is necessary to amend the relevant statutes to require the Hawaii Hurricane Relief Fund to develop and implement building code hurricane standards and include funding for the adoption of administrative rules to implement state building code and design standards.

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. 1154 and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 441 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 153

The purpose and intent of this measure is to allow surviving immediate family members of murder or manslaughter victims to access a copy of the closing report prepared by the investigating police department, upon the conclusion of all criminal and civil proceedings that arose from the offense.

Your Committee received testimony in support of this measure from the Hawaii Association for Justice. Your Committee received testimony in opposition to this measure from the Civil Beat Law Center for the Public Interest. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that making police reports available to surviving family members of a victim of a violent crime resulting in death is important for maintaining fairness and protecting the well-being of the public. Currently, criminal defendants who cause the death of another have access to police files relating to the investigation, but surviving family members do not necessarily have access to the same files. In addition, allowing surviving family members to have access to final, or closing, police reports would enhance police transparency and accountability.

Your Committee has amended this measure by removing the reference to section 92F-22, Hawaii Revised Statutes, to avoid any confusion with the existing Uniform Information Practices Act.

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. 153, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 153, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 442 (Joint) Public Safety, Intergovernmental, and Military Affairs and Government Operations on S.B. No. 293

The purpose and intent of this measure is to establish a Statewide Interoperability Executive Board for coordinating a Statewide Interoperable Public Safety Communications System financed through surcharges on various traffic violations.

Your Committees received testimony in support of this measure from the Department of Transportation; Department of Public Safety; Hawaii Emergency Management Agency; Office of Enterprise Technologies; Department of Emergency Management, City and County of Honolulu; and Maui Police Department. Your Committees received comments on this measure from the Department of Budget and Finance, State Procurement Office, Kaua'i Emergency Management Agency, Honolulu Police Department, and Tax Foundation of Hawaii.

Your Committees find that the ability of first responders and emergency response agencies to effectively communicate with each other, particularly during emergency situations, is essential to protecting the health, safety, and welfare of the public. However, there are many components to creating and maintaining a successful interoperable communications system. These types of communications systems require well-defined leadership staffed with highly-qualified individuals. In addition, it is necessary to establish a cohesive and coordinated overarching plan, including policies and procedures, that the various agencies involved can follow. Your Committees note that a successful interoperable communications system requires adequate funding for the hiring of staff and purchasing of equipment that will enable coordination among agencies, but your Committees acknowledge the testimony of the Department of Public Safety recommending that the Statewide Interoperability Executive Board first be established and allowed to determine its needs before addressing funding for the Board.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the funding mechanism, including the creation of the Interoperable Public Safety Communications Trust Fund and all surcharges for various traffic violations;
- (2) Deleting all references to procurement pursuant to chapter 103D, 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 Public Safety, Intergovernmental, and Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 293, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 293, S.D. 1, and be referred to your 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 (Baker, Ihara).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 443 (Joint/Majority) Public Safety, Intergovernmental, and Military Affairs and Housing on S.B. No. 611

The purpose and intent of this measure is to repeal the June 30, 2017, sunset date of Act 83, Session Laws of Hawaii 2012, which prohibits counties from requiring installation or retrofitting of automatic fire sprinklers in:

- (1) New or existing detached one- or two-family dwelling units used only for residential purposes; and
- (2) Non-residential agricultural and aquacultural structures located outside an urban area.

Your Committees received testimony in support of this measure from the Office of the Mayor of the City and County of Honolulu, Building Industry Association of Hawaii, Hawaii Habitat for Humanity Association, and forty-two individuals. Your Committees received testimony in opposition to this measure from the Hawaii State Fire Council, Honolulu Fire Department, and International Code Council. Your Committees received comments on this measure from the Office of the Mayor, Hawai'i County.

Your Committees find that placing undue burdens on property owners in the State does not promote the public welfare. Retrofitting or installing automatic fire sprinklers in certain structures can be difficult and costly. Moreover, requiring owners or builders to install automatic fire sprinklers would likely cause rents and the costs of homes to rise. Given the untenable affordable housing shortage across the State, county action requiring the installation of automatic fire sprinklers could have devastating effects. Therefore, repealing the sunset date of Act 83, Session Laws of Hawaii 2012, is necessary to permanently prohibit the counties from requiring owners of detached one- or two-family dwelling units used only for residential purposes or non-residential agricultural and aquacultural structures located outside an urban area to retrofit or install automatic fire sprinklers.

However, your Committees also acknowledge the testimony of the International Code Council regarding new and emerging technologies in automatic fire sprinkler systems. The International Code Council notes that there have been significant advances in automatic fire sprinkler technologies and that other future advances may render arguments about the cost-prohibitive nature of installing automatic fire sprinkler systems moot. Accordingly, the International Code Council recommends not making the prohibition permanent. Your Committees suggest that if your Committee on Commerce, Consumer Protection, and Health decides to hear this measure that it looks further into the concerns that the International Code Council raises.

Your Committees have amended this measure by inserting an effective date of May 22, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 611, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 611, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Baker).
Housing: Ayes, 2. Noes, 1 (Harimoto). Excused, 2 (Kahele, Keith-Agaran).

SCRep. 444 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 655

The purpose and intent of this measure is to allow the news media to access areas that are closed pursuant to the emergency management powers of the Governor and Mayors.

Your Committee received testimony in support of this measure from the Big Island Press Club, All Hawaii News, Hawaii Association of Broadcasters, Society of Professional Journalists Hawaii Chapter, Life of the Island, and fifteen individuals. Your Committee received testimony in opposition to this measure from the Honolulu Fire Department, Kaua'i Fire Department, and Kaua'i Emergency Management Agency. Your Committee received comments on this measure from the Hawaii Emergency Management Agency.

Your Committee finds that a freely functioning news media is essential for maintaining a free and open society. The news media serves the invaluable purpose of relaying necessary and timely information to the public. This media role is enhanced in an emergency or crisis situation. However, existing state laws do not ensure robust media access during emergency or crisis situations. Therefore, it is important to update these laws to ensure the maximum access possible for news media during emergency situations.

Your Committee acknowledges the concerns of the Hawaii Emergency Management Agency regarding the potential liability of the parties involved and the necessary logistics and procedures that should be in place for allowing news media into areas under emergency management control.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that news media given access to areas under emergency management be credentialed and accompanied by emergency management personnel;
- (2) Limiting the liability of the State and counties and establishing liability for media personnel;
- (3) Providing that the designated emergency management authority in charge has the sole discretion in determining the access granted to media members in an affected area; and
- (4) Inserting an effective date of May 22, 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. 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 your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 445 (Joint) Public Safety, Intergovernmental, and Military Affairs and Government Operations on S.B. No. 1037

The purpose and intent of this measure is to require that certain agencies be notified when a firearm permit application is denied because the applicant is prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law.

Your Committees received testimony in support of this measure from the Judiciary, Kauai Police Department, and thirteen individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that a robust regulatory framework for firearm ownership is essential to protecting the public health, safety, and welfare. Part of that regulatory framework should include identifying individuals who are prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law, but who still attempt to apply for and are denied a permit because of their existing status. Therefore, this measure:

- (1) Requires the firearms permitting authority to notify the prosecuting attorney of the county of the issuing authority, the United States Attorney's Office in Hawaii, and the Department of Public Safety if an applicant is denied a permit because the applicant is prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law; and
- (2) Requires the Department of Public Safety, upon notification of such a permit denial, to determine if the denied applicant is serving probation or parole, and if so, send notice to the applicant's probation or parole officer.

Your Committees, however, have concerns about the effectiveness of this measure as written. Under existing laws, an individual who seeks a permit to own a firearm, but is prohibited by statute from doing so, will be denied a permit. Testimony presented during the hearing highlighted that merely seeking a permit, even if prohibited from obtaining one, is not a violation of the law. Therefore, it is not clear how passing on information about a denied permit, even for someone prohibited from obtaining one, to prosecutors would have any real impact. If your Committee on Judiciary and Labor decides to hear this measure, it may be beneficial for that Committee to further explore this concern.

Your Committees have amended this measure by inserting an effective date of May 22, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1037, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1037, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.
Public Safety, Intergovernmental, and Military Affairs: Ayes, 5. Noes, none. Excused, none.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 446 (Joint) Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health and Transportation and Energy on S.B. No. 1039

The purpose and intent of this measure is to require the Department of Public Safety to work with appropriate federal and state agencies to assist inmates in obtaining important government documents, including a social security card, driver's license, civil identification card, or birth certificate.

Your Committees received testimony in support of this measure from the Department of Public Safety; Hawaii Paroling Authority; Hawaii State Commission on the Status of Women; American Association of University Women Hawaii; Community Alliance on Prisons; Hawaii Appleseed Center for Law and Economic Justice; Ho'omana Pono, LLC; YWCA O'ahu; The CHOW Project; and seventeen individuals.

Your Committees find that helping inmates transition back into everyday life is a vital component of successful inmate rehabilitation. One of the problems inmates encounter is that they are incarcerated for long periods and often lose important government documents pertaining to their identities. Upon release, the lack of necessary government-issued identification documents, such as a social security card, birth certificate, driver's license, or civil identification card, can prevent a former inmate from being able to successfully transition back into society. Therefore, it is necessary to establish guidelines requiring the Department of Public Safety to work with appropriate federal and state agencies to assist eligible inmates in obtaining important government documents.

In establishing these guidelines, your Committees note the testimony of the Community Alliance on Prisons and the YWCA recommending that inmates in work furlough, extended furlough, and community placement programs also benefit from assistance in obtaining important government documents. Your Committees also acknowledge the concerns of the Department of Public Safety recognizing that pre-trial detainees and short-term inmates should not qualify for assistance and that inmates seeking birth certificates from the State should not be required to pay any related fees for a copy of that birth certificate or a civil identification card.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the Department of Public Safety to begin the process of obtaining important government documents for inmates released for work furlough, extended furlough, and community placement programs at least ninety days prior to release;
- (2) Disqualifying pre-trial detainees and inmates sentenced to less than one year from assistance in obtaining government documents;
- (3) Deleting language that would have prevented inmates in compassionate release, work furlough, extended furlough, and community placement programs from obtaining assistance;
- (4) Establishing that the Department of Public Safety, working with other state agencies, will provide any Hawaii-born inmate seeking one, a certified copy of the inmate's birth certificate and a civil identification card free of charge;
- (5) Making conforming amendments; and
- (6) Making technical 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, Commerce, Consumer Protection, and Health, and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1039, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1039, S.D. 1, and be referred to your 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, 3. Noes, none. Excused, 2 (Thielen, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 447 (Joint) Public Safety, Intergovernmental, and Military Affairs and Government Operations on S.B. No. 1291

The purpose and intent of this measure is to update statutory language on liquor license application and operating procedures to improve consistency and efficiency in liquor licensing and to reflect modern business practices and organizational structures.

Your Committees received testimony in support of this measure from the Department of Liquor Control, County of Kauai; Liquor Commission, City and County of Honolulu; and one individual.

Your Committees find that the efficient and equitable treatment of businesses, particularly in any licensing process, is essential for cultivating a robust economy that benefits the public welfare. Existing statutes relating to liquor licensing are outdated and do not reflect the current state of business practice in the State, including modern forms of business organization such as limited liability companies. Further, these outdated licensing laws make the licensing process inefficient and serve as an impediment to business, preventing potential economic growth. Accordingly, this measure updates existing liquor licensing statutes to:

- (1) Include member and member managed limited liability companies;
- (2) Allow liquor license holders to notify the liquor commission within a set period of time after a change in membership or ownership of the license holding entity instead of before the change; and
- (3) Clarify conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure.

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 Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1291, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1291, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 5. Noes, none. Excused, none.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 448 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1293

The purpose and intent of this measure is to:

- (1) Establish the special operations K9 unit special fund; and
- (2) Appropriate money to the fund for deputy canines and full-time equivalent permanent canine handler positions within the Department of Public Safety.

Your Committee received testimony in support of this measure from the Judiciary, State of Hawai'i; and Office of the Prosecuting Attorney, County of Hawai'i. Your Committee received comments on this measure from the Department of Budget and Finance and Department of Public Safety.

Your Committee finds that abuse of illicit drugs is a serious health problem that threatens the welfare of the people of the State. It is essential to deploy every reasonable means necessary to ensure that an epidemic of drug abuse does not spread. One technique that could increase the efficiency of law enforcement with detecting and subsequently removing illicit drugs from the State is the expanded use of trained canines. The benefits of drug detecting canines are well-known and widely utilized across the globe. Expanding the use of canine special units in the State would enhance law enforcement's ability to combat illicit drug use.

Your Committee, however, acknowledges the concerns raised by the testimony of the Department of Public Safety relating to the costs of administering the proposed K9 program. The Department estimates that the measure as written would have an initial start-up cost of approximately \$9,719,699, excluding the cost of an area for kennels and training. Further, the Department calculates that the recurring annual costs of the program would total approximately \$6,265,555. Therefore, your Committee believes that a phased in approach for implementation, beginning first in Oahu then expanding to the neighbor islands at a rate of thirty-three percent annually for three years, is prudent. In addition, given the costs of the program, it is important to put in place auditing requirements to monitor the program's expenditures.

Your Committee has amended this measure by:

- (1) Adding language to require the auditor to conduct an annual audit of the uses of the special operations K9 unit special fund; and
- (2) Establishing a phased-in approach, introducing the program first on the Island of Oahu then expanding to the neighbor islands over the course of three years.

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. 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 449 (Joint) Economic Development, Tourism, and Technology and Government Operations and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 994

The purpose and intent of this measure is to:

- (1) Require the Stadium Authority to adopt rules requiring dedication of land or facilities, or in-lieu cash payments, by developers as a condition of developing real property pursuant to the stadium complex area development plan;
- (2) Authorize the Stadium Authority to hire private attorneys; and
- (3) Expand the powers and duties of the Stadium Authority to develop the stadium property and establish a stadium complex area.

Your Committees received testimony in support of this measure from the Office of the Lieutenant Governor, Stadium Authority, IMUAlliance, Hawaii Lodging & Tourism Association, and one individual. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from Department of Accounting and General Services.

Your Committees find that the Aloha Stadium has been Hawaii's largest sports facility since its opening in 1975. Your Committees find that the current stadium is reaching the end of its life cycle. Your Committees further find that expanding the powers and duties of the Stadium Authority will help in the process of creating a stadium complex area development plan and beginning the development of the new Aloha Stadium.

Your Committees note their concern regarding the need for the Stadium Authority to appoint or retain private attorneys and the nature of any gifts or grants that the Stadium Authority may receive, as proposed by this measure. Should your Committees on Ways and Means and Judiciary and Labor decide to hear this measure, your Committees request further examination of these provisions.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology, Government Operations, 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. 994 and recommend that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 450 (Joint) Economic Development, Tourism, and Technology and Government Operations on S.B. No. 834

The purpose and intent of this measure is to:

- (1) Require that both chambers of the Legislature adopt rules to establish procedures to permit residents to present testimony through audiovisual technology; and
- (2) Appropriate funds to establish such audiovisual technology throughout the State.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Government Employees Association, Common Cause Hawaii, Pele Lani Farm LLC, Life of the Land, Ulupono Initiative, Progressive Democrats of Hawaii, and thirty-five individuals. Your Committees received comments on this measure from the Disability and Communication Access Board and two individuals.

Your Committees find that it is often a severe financial and geographic hardship for neighbor island residents to actively participate in the legislative process. Your Committees further find that this measure is a necessary first step toward using remote testimony technology to allow more residents of the State to participate and have their voices heard.

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, Tourism, and Technology and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 834, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 834, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

SCRep. 451 Water and Land on S.B. No. 110

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to establish and operate in-lieu fee mitigation and to establish aquatic mitigation banking and aquatic in-lieu fee mitigation special funds.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Nature Conservancy Hawai'i, Conservation Council for Hawai'i, Democratic Party of Hawai'i, and four individuals. Your Committee received testimony in opposition to this measure from the Ocean Tourism Coalition, Quicksilver Charters, Sail Maui, and Maui Dive Shop. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that authorizing in-lieu fee mitigation will provide the Department of Land and Natural Resources (DLNR) with an innovative mechanism to improve state stewardship of aquatic public trust resources and habitats, increase accountability for aquatic resources damage, and provide higher quality remediation to make damaged resources whole again. In-lieu fee mitigation involves a third party mitigation sponsor who accepts funds from permit applicants or responsible parties required to provide compensation in order to mitigate actual natural resource damage or prospective compensation, which the sponsor then uses to develop restoration projects. In-lieu fee sponsors are often public or private entities with experience, scientific expertise, and a vested long-term interest in natural resources conservation.

Your Committee notes that DLNR expects to accept fees in lieu of mitigation from permittees required to mitigate damage under the Clean Water Act, and that the federal government prefers, but does not require, fees to be deposited into special funds. DLNR may want to consider the benefit of using special funds in the future and advise the Legislature accordingly, but your Committee does not find special funds necessary at this time.

Your Committee has amended this measure by:

- (1) Deleting the establishment of an aquatic mitigation banking special fund and an aquatic in-lieu fee mitigation special fund;
- (2) 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 Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 110, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 110, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 452 (Joint) Water and Land and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 841

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to conduct a feasibility study to determine the best means to provide a Pohoiki swimming area and develop plans, in coordination with the United States Army Corps of Engineers, County of Hawaii, and any stakeholders, for a safe swim area.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of the Mayor of the County of Hawaii, and six individuals.

Your Committees find that there is an increasing need for a safe swim area in Pohoiki. Swimmers are currently accessing the ocean via the Pohoiki boat ramp, the only safe access left in Puna for swimmers due to the lava inundation of Kalapana. Having one access for all ocean users, including boaters, swimmers, divers, surfers, and kayakers, among others, is untenable. Your Committees find a feasibility study must be completed to find a permanent solution to provide safe ocean access for the people of Puna.

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. 841 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Inouye).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Wakai).

SCRep. 453 (Joint) Water and Land and Public Safety, Intergovernmental, and Military Affairs and Housing on S.B. No. 1148

The purpose and intent of this measure is to appropriate funds to the Executive Director of the Hawaii Community Development Authority (HCDA) to conduct a feasibility study, and submit a report of findings and recommendations of the study to the Legislature, regarding:

- (1) HCDA assuming the role of planning, developing, and redeveloping all state-owned lands within one mile of the Honolulu rail transit systems;
- (2) Creating a new community development district along the Honolulu rail corridor; and
- (3) Returning jurisdiction over the Kakaako community development district to the City and County of Honolulu.

Your Committees received testimony in support of this measure from the Office of Planning. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Hawaii Community Development Authority, Hawaii Public Housing Authority, and Department of Planning and Permitting of the City and County of Honolulu.

Your Committees find that the feasibility study proposed in this measure is warranted to determine the best means to pursue the development of state-owned properties along the rail transit line. Your Committees find that the construction and growth of the rail transit system provide a unique opportunity to simultaneously develop much needed affordable housing units within walking distance of the transit system in areas of population growth and economic activity. Your Committees further find that the state-owned land along the rail transit route is currently administered by numerous departments and agencies, and that a coordinated vision is needed for the implementation of sound transit-oriented and smart growth development.

Your Committees have amended this measure by:

- (1) Clarifying that state-owned lands under the administration of the Hawaii Public Housing Authority (HPHA) are exempt from the feasibility study as HPHA already has a number of transit-oriented projects in various stages of development;
- (2) Removing the provision in the feasibility study pertaining to the transfer of jurisdiction of the Kakaako community development district;
- (3) Inserting an effective date of March 15, 2092, 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 Water and Land, Public Safety, Intergovernmental, and Military Affairs, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1148, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1148, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

Housing: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

SCRep. 454 (Joint) Water and Land and Agriculture and Environment on S.B. No. 636

The purpose and intent of this measure is to establish an invasive species rapid response special fund, establish procedures for declaring an invasive species emergency and making fund expenditures without legislative approval, and appropriate monies to the fund.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Office of Hawaiian Affairs, Conservation Council of Hawai'i, and four individuals. Your Committees received

testimony in opposition to this measure from Save an Animal, Best Friends Animal Society, and one individual. Your Committees received comments on this measure from the Department of Budget and Finance, State Procurement Office, and Hawai'i Farm Bureau.

Your Committees find that invasive species can significantly impact the native ecosystems, agriculture, economy, and culture of Hawaii. Your Committees further find that an invasive species rapid response fund will better enable the State to respond to threats from invasive species at the time of first detection, increasing the effectiveness of the response and lowering the cost of eradication. Finally, your Committees note that S.B. No. 776 proposes restructuring the Hawaii Invasive Species Council as the Hawaii Invasive Species Authority, and the special fund proposed under this measure should be coordinated with S.B. No. 776, as amended, as both measures move through the Legislative process.

Your Committees have amended this measure by:

- (1) Removing the exemption from chapter 103D, Hawaii Revised Statutes, as it is an unnecessary restatement of a power already held by the Governor pursuant to section 127A-12(b)(8), Hawaii Revised Statutes; 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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 636, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 636, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 455 (Joint) Water and Land and Housing on S.B. No. 254

The purpose and intent of this measure is to require the Hawaii Housing Finance and Development Corporation, in coordination with other state and county agencies, to develop lands within one mile of transit station sites and include affordable rental housing units in certain development plans.

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 and one individual. Your Committees received comments on this measure from the Department of Human Services, Hawaii Housing Finance and Development Corporation, and Office of Planning.

Your Committees find that encouraging transit-oriented development projects will contribute to the overall success of the public transportation projects in the State and will vitalize urban areas. Your Committees further find that incorporating safe, adequate, and affordable housing strengthens communities as affordable and stable housing is linked with improved health, education, and economic outcomes for families and children.

Your Committees have amended this measure by:

- (1) Specifying the percentage of affordable rental units that must be built for residents or families at different income levels for each development project as follows:
 - (A) Ten percent for residents or families earning up to thirty percent of the area median income as defined by the United States Department of Housing and Urban Development;
 - (B) Ten percent for residents or families earning up to sixty percent of the area median income as defined by the United States Department of Housing and Urban Development;
 - (C) Ten percent for residents or families earning up to eighty percent of the area median income as defined by the United States Department of Housing and Urban Development; and
 - (D) Ten percent for residents or families earning up to one hundred percent of the area median income as defined by the United States Department of Housing and Urban Development;
- (2) Removing the waiver option of the affordable housing requirements;
- (3) Making conforming amendments; 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 Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 254, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 254, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Inouye).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Nishihara).

SCRep. 456 (Joint) Water and Land and Housing on S.B. No. 580

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to enter into housing, commercial, and mixed-use leases for terms in excess of sixty-five years but not exceeding ninety-nine years.

Your Committees received testimony in support of this measure from the Chamber of Commerce Hawaii, Building Industrial Association of Hawaii, and one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that extending the maximum lease term for certain property to ninety-nine years supports efforts to increase the number of affordable housing units in the State. Your Committees further find that granting the lessee the right of first refusal following public auction at the termination of the lease will incentivize lessees to continue to invest in improvements to the property throughout the length of the lease.

Your Committees have amended this measure by:

- (1) Transferring the lease negotiation authority from the Department of Land and Natural Resources to the Hawaii Housing Finance and Development Corporation;
- (2) Clarifying that its applicability pertains only to residential leases that are for multi-family units;
- (3) Making conforming amendments; 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 Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 580, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 580, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Inouye).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Nishihara).

SCRep. 457 (Joint) Water and Land and Housing on S.B. No. 966

The purpose and intent of this measure is to exempt lands to which the Hawaii Public Housing Authority holds title from the definition of “public lands” used in chapter 171, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority and one individual. Your Committees received testimony in opposition to this measure from Ka Lāhui Hawai‘i Political Action Committee. Your Committees received comments on this measure from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Your Committees find that the Hawaii Public Housing Authority (HPHA) is authorized to acquire, own, and hold real property and therefore lands held by HPHA should be exempt from the definition of “public lands” that the Department of Land and Natural Resources (DLNR) manages, administers, and exercises control over to cure any potential conflict in powers between HPHA and DLNR. Your Committees further find that HPHA titled lands were previously exempt from the definition of public lands when the lands were held by HPHA’s predecessor agencies and were inadvertently not included in the exemptions to public lands when the agencies reorganized and HPHA was formed. Finally, it is the understanding of your Committees that ceded lands will remain ceded lands and be unaffected by this measure.

Your Committees have amended this measure by including lands that are set aside by the Governor to HPHA in the exemption to “public lands”.

As affirmed by the records of votes of the members of your Committees on Water and Land and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 966, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 966, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Inouye).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Nishihara).

SCRep. 458 (Joint) International Affairs and the Arts and Water and Land on S.B. No. 269

The purpose and intent of this measure is to require the Department of Land and Natural Resources to place markers in the State of Hawaii to indicate significant sites in the life of President Barack Obama.

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 two individuals.

Your Committees find that President Barack Obama, the forty-fourth President of the United States of America, was born in the State of Hawaii and spent a significant amount of his life in the State. Your Committees further find that placing markers at sites significant to President Barack Obama’s life would be a point of pride for the State and would pay tribute to President Barack Obama’s leadership. Your Committees note that the recommended appropriation to the State Historic Preservation Division to place the markers is \$50,000 for fiscal year 2017-2018 and \$25,000 for fiscal year 2018-2019.

Your Committees have amended this measure by:

- (1) Clarifying the reference to President Barack Obama as the forty-fourth President of the United States of America;
- (2) Adding Noelani Elementary School to the list of significant sites;
- (3) Making an appropriation for an unspecified dollar amount;
- (4) Changing the effective date to July 1, 2017; 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 International Affairs 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. 269, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 269, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

SCRep. 459 (Joint) Public Safety, Intergovernmental, and Military Affairs and Higher Education on S.B. No. 419

The purpose and intent of this measure is to:

- (1) Require compliance with the Military Selective Service Act by prohibiting enrollment in a state-supported post-secondary institution, ability to qualify for state financial assistance for post-secondary education, and eligibility for state or county employment or service with certain exceptions; and
- (2) Establish special number plates for members of Hawaii selective service local boards and the United States Selective Service System State Director.

Your Committees received testimony in support of this measure from the Selective Service System Hawaii Headquarters. Your Committees received comments on this measure from the University of Hawaii and the Hawaii Civil Rights Commission.

Your Committees find that compliance with the Military Selective Service Act is essential for the continued existence of a military force for the protection and security of all citizens. However, many of those who are required to register for selective service do not. Given the importance of compliance with the Military Selective Service Act, it is necessary to put in place measures that ensure and increase compliance with the Act. To that end, the federal government prohibits non-compliant persons from receiving federal student financial assistance or from being employed in a government job. Accordingly, this measure adopts similar measures applicable to state financial assistance for post-secondary education, and eligibility for state or county employment or service.

Your Committees have amended this measure by:

- (1) Replacing the reference to only male citizens to include all persons;
- (2) Deleting all language relating to special license plates; 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 Higher Education 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 your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Kidani).

SCRep. 460 (Joint) Public Safety, Intergovernmental, and Military Affairs and Housing on S.B. No. 1210

The purpose and intent of this measure is to authorize counties to develop public-private partnerships to construct relief sewers for affordable housing development projects.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority, Building Industry Association of Hawaii, Chamber of Commerce Hawaii, and Ho'omana Pono, LLC.

Your Committees find that a lack of affordable housing is a growing and grave concern to the health, safety, and welfare of the people of the State. As home prices in the State continue to rise to levels far out of reach of many families, it is necessary to support the development of affordable housing. There are many obstacles to the development of affordable housing, including a lack of cooperation between government and private entities in the development of necessary infrastructure. This measure addresses this fundamental impediment to the development of affordable housing by authorizing counties to partner with private entities to construct relief sewers for affordable housing development projects.

Your Committees also note the recommendation offered by the Building Industry Association of Hawaii and Chamber of Commerce Hawaii that one county entity should oversee all private-public partnerships. Your Committees request that if your Committee on Ways and Means chooses to hear this measure, that your Committee on Ways and Means consider to identify the appropriate entity in each county to oversee all public-private partnerships.

Your Committees have amended this measure by:

- (1) Adding language establishing that an unnamed entity of the county will oversee all public-private partnerships; 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 Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1210, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1210, S.D. 1, and be referred to your 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 (Baker).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahale, Keith-Agaran).

SCRep. 461 (Joint) Government Operations and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1297

The purpose and intent of this measure is to:

- (1) Appropriate funds to the Department of Accounting and General Services (DAGS) to update the state building code pursuant to the requirements of the Federal Emergency Management Agency (FEMA) hazard mitigation reimbursement grant awarded to the State; and
- (2) Require all reimbursements from the FEMA hazard mitigation grant to be deposited into the general fund.

Your Committees received testimony in support of this measure from the Hawaii State Fire Council, Hawaii Emergency Management Agency, Department of Public Works of the County of Maui, Kaua'i Fire Department, Mason Contractors Association of Hawaii, Masonry Institute of Hawaii, Structural Engineers Association of Hawaii, American Council of Engineering Companies of Hawaii, and one individual.

Your Committees find that the State Building Code Council (SBCC) is obligated to update the State Building Code every six years, and that the most recent update in 2010 was based on the 2006 International Building Code. Your Committees further find that SBCC requires funds to implement the adoption of the 2012 International Building Code with the State's amendments incorporating updated standards and wind maps for hurricane risk mitigation. Your Committees further find that a FEMA mitigation reimbursement grant was awarded to the State in November 2016 for this purpose and, after a review to determine that the conditions of the grant were met, FEMA will reimburse the State for the funds expended under this measure. Your Committees further find that public safety is best served by updating the State Building Code pursuant to modern International Standards and is necessary for compliance with FEMA disaster assistance requirements.

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 Government Operations 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. 1297, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1297, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 462 (Joint) Government Operations and Economic Development, Tourism, and Technology on S.B. No. 1059

The purpose and intent of this measure is to:

- (1) Establish a three-year small business assistance initiative within the State Procurement Office to collect and develop small businesses data and information, and convene stakeholders to develop an effective small business program with actionable results;
- (2) Establish a small business assistance coordinator position, small business office, and small business advisory group as part of the small business initiative; and
- (3) Appropriate funds for the administration and operation of the small business initiative.

Your Committees received testimony in support of this measure from the State Procurement Office; Department of Defense; Chamber of Commerce Hawaii; Native Hawaiian Chamber of Commerce; Oahu Economic Development Board; Building Industry Association of Hawaii; Holomua Consulting Group, LLC; AMEL Technologies, Inc.; Native Hawaiian Veterans, LLC; RMA Sales; and Minatoishi Architects.

Your Committees find that establishing a small business initiative with adequate staff and funding is a necessary first step in improving the climate and outlook for small businesses in Hawaii. Your Committees find that small businesses are essential to the State's economy, create invaluable employment opportunities, and spur innovation and creativity. Additionally, small businesses owned by veterans, Native Hawaiians, and women are among the most vulnerable and disadvantaged in the State.

The three-year initiative proposed in this measure will for the first time produce relevant data and information on the small business community in Hawaii, including tracking small business participation in state contracts. Your Committees note that according to data mined from the State Procurement Office website, it appears that only three percent of state contracts are awarded to women-owned architectural and engineering firms located in Hawaii, a figure that is inexcusably low considering the growing numbers of women graduating from engineering and architecture schools today. Only through the collection of the data and metrics specified in this measure can a small business program that will ensure the long-term success of small businesses, including veteran-, Native Hawaiian-, and women-owned small businesses, in Hawaii be created going forward.

As affirmed by the records of votes of the members of your Committees on Government Operations and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1059 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 463 Government Operations on S.B. No. 800

The purpose and intent of this measure is to appropriate funds to the Department of Accounting and General Services to conduct a study to determine various alternatives for the rehabilitation and renovation of the Hawaii State Capitol reflecting pool.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Land and Natural Resources, and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that the Hawaii State Capitol building is a significant work of public architecture in Hawaii and is listed on the Hawaii and National Registers of Historic Places. The Capitol building was designed to reflect the unique culture, history, and physical environment of the State, and the reflecting pools are an integral component of the vision of Hawaii evoked by the Capitol.

Since the completion of the 77,000 square foot reflecting pools in 1969, there have been various maintenance issues and concerns regarding leaks, algae, dead fish, water circulation, odor, and the general poor condition of the pools. Currently water appears to be leaking due to the deterioration of the waterproof liner and it is infiltrating the foundation and, if left unaddressed, could lead to structural damages that would require extensive, time-consuming, and extremely costly repairs. Pool water that is lost through evaporation or leaks is replenished with water from two underground wells that are located beneath the basement of the Capitol, and the compromised water source results in brackish water that promotes the growth of algae. Poor circulation of the water and the presence of various species of fish also contribute to the foul odors smelled near the pools and their overall unacceptable condition.

Your Committee finds that despite a comprehensive property condition report on the reflecting pools prepared for the Department of Accounting and General Services (DAGS) in 2004 outlining the deficiencies in the pools and recommending potential remedies, and a 2011 report completed by DAGS regarding a visual and water quality update on the reflecting pools, renovation work on the pools has never been completed and the condition of the pools continues to worsen. Your Committee further finds that the maintenance challenges regarding the reflecting pools have been a long-standing issue, and emphasizes the need to finally find a permanent solution to the problem, including viable alternatives to the pools, while preserving the integrity, cultural significance, and historical character of the structure.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 800 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 464 (Joint) Hawaiian Affairs and Water and Land on S.B. No. 641

The purpose and intent of this measure is to add the Chairperson of the Hawaiian Homes Commission or the Chairperson's designee as an ex officio voting member of the Commission on Water Resource Management.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands; Office of Hawaiian Affairs Beneficiary Advocacy and Empowerment Committee; Hawaiian Affairs Caucus of the Democratic Party of Hawai'i; and eighteen individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committees find that water resources are an integral part of Native Hawaiian culture and practices. One of the goals in the Water Policy Plan of the Hawaiian Homes Commission is to "aggressively, proactively, consistently and comprehensively advocate for the kuleana of the beneficiaries."

Your Committees further find that this measure allows for greater advocacy for beneficiaries of the Hawaiian Homes Commission Act. However, your Committees also want to caution against "opening the floodgates" to organizations who may want a seat on the Commission on Water Resource Management in the future. Thus, it is the intent of your Committees to limit additional membership to government entities, such as the Department of Hawaiian Home Lands.

As affirmed by the records of votes of the members of your Committees on 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. 641 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 4. Noes, none. Excused, 1 (English).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 465 (Joint) Hawaiian Affairs and Water and Land on S.B. No. 351

The purpose and intent of this measure is to:

- (1) Amend the various provisions affecting the Aha Moku Advisory Committee; and
- (2) Appropriate funds to support the mission of the Aha Moku Advisory Committee.

Your Committees received testimony in support of this measure from the Aha Moku Advisory Committee; Aha Moku System on Manokalanipo, the Island of Kauai; Ke One O Kakuhihewa; Democratic Party of Hawaii Hawaiian Affairs Caucus; and numerous individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees finds that the Aha Moku Advisory Committee is established under section 171-4.5, Hawaii Revised Statutes, to advise the Chairperson of the Board of Land and Natural Resources on Native Hawaiian natural resource management. The legislative

intent in authorizing the Aha Moku Advisory Committee included providing an opportunity for Hawaiians to work together to exhibit that traditional Hawaiian values and customs could be applicable to modern governmental affairs.

Your Committees further find that the betterment of the Native Hawaiians is apt to change with time as circumstances change, which necessitates statutory amendments.

Your Committees have amended this measure by:

- (1) Deleting amendments to section 171-4.5(b) and (c), Hawaii Revised Statutes, referencing oversight of the Aha Moku Advisory Committee, as well as native Hawaiian protocol expenses incurred while participating in meetings and events;
- (2) Inserting language to require the Department of Land and Natural Resources to:
 - (A) Include the expenses for conducting meetings and other related functions of the State Aha Moku System and Aha Moku Advisory Committee, including the salaries of the Executive Director and Administrative Assistant, in the Department's budget; and
 - (B) Provide administrative support to the Aha Moku Advisory Committee;
- (3) Inserting language to allow the special land and development fund to be used for any expenses incurred by the Aha Moku Advisory Committee;
- (4) Amending the appropriation for the Aha Moku Advisory Committee by:
 - (A) Increasing the amount to \$350,000 and the purpose of the appropriation for expenses of the Aha Moku Advisory Committee; and
 - (B) Providing that \$100,000 of the appropriation shall be divided proportionately as determined by the Aha Moku Advisory Committee, among the eight areas represented by the Aha Moku Advisory Committee members, and be used to pay for the annual Puwalu event; 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 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. 351, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 351, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 4. Noes, none. Excused, 1 (English).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 466 (Joint) Hawaiian Affairs and Water and Land on S.B. No. 640

The purpose and intent of this measure is to:

- (1) Establish a pilot project at Makua Beach and Hawaii island to designate areas in public parks for planting and growing coconut trees for Hawaiian traditional and customary gathering practices; and
- (2) Appropriate funds for the pilot project.

Your Committees received testimony in support of this measure from twenty individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that Makua Beach is a portion of the Keawaula section of Ka'ena Point State Park, on the island of O'ahu, traditionally associated with the Native Hawaiian practices of lua (warrior training) and la'au lapa'au (medicinal practices), and historically known as a site for lawai'a (fishing practices). Your Committees further find that Makua Beach needs to be restored and cleaned due to years of illegal driving on the beach and unmanaged camping, and other recreational use, which have created unacceptable, potentially hazardous accumulations of rubbish, human waste, charcoal, and nails from illegal bon fires. Additionally, this portion of Makua was previously used for military training, and as a result unexploded ordnance has been discovered and removed, but there is still uncertainty that all of the ordnance has been identified.

Your Committees further find that a rebalancing at Makua Beach between establishing low impact recreational use and restoring traditional and customary Hawaiian management values is necessary.

Your Committees have amended this measure by:

- (1) Inserting a purpose section;
- (2) Replacing the language requiring the Department of Land and Natural Resources to establish the pilot project at Makua Beach and on the Island of Hawaii with language requiring the Department to develop and implement a Hawaiian traditional and customary gathering practice program at Makua Beach, as a model project;
- (3) Specifying the purposes of the model project as supporting the restoration of Makua Beach and developing a model to manage Hawaiian traditional and customary gathering practices;
- (4) Requiring the Department of Land and Natural Resources to issue permits or written agreements to persons or entities for specific activities within designated areas;
- (5) Addressing the issues of liability for personal injury and property damage;

- (6) Encouraging the United States Army Garrison – Hawaii to work with the Department of Land and Natural Resources, as well as any person or entity authorized by the Department of Land and Natural Resources, to ensure that ordnance is cleared from the area designated for the coconut grove;
- (7) Requiring a report to the Legislature to include all actions completed to remove ordnance by the United States Army Garrison - Hawaii in the delineated area of cultivation, as well as on the feasibility of operating the program at other gathering places for cultivating coconut groves; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note to your Committee on Ways and Means that the requested amount of the appropriation is \$75,000 to clear land and acquire and install vehicle barricades and other types of demarcations and signage, in addition to costs associated with acquisition of actual coconuts and other related expenses.

As affirmed by the records of votes of the members of your Committees on 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. 640, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 640, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (Green, Kim).

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 467 Commerce, Consumer Protection, and Health on S.B. No. 127

The purpose and intent of this measure is to amend the Landlord-Tenant Code to prohibit discrimination based on lawful source of income in rental transactions, including advertisements for available rental dwelling units.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS and Kaua'i Board of REALTORS. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Office of Hawaiian Affairs, and Hawaii Public Housing Authority.

Your Committee finds that low-income individuals and families often have a difficult time finding affordable housing rentals in Hawaii. These difficulties are exacerbated when landlords or advertisements for dwelling units refuse to accept the federal Housing Choice Voucher Program, otherwise known as Section 8 housing vouchers. Your Committee further finds that other states, and several large metropolitan areas in the country, have adopted laws to prohibit landlords from refusing to rent to those who participate in federal housing voucher programs. According to testimony received by your Committee, in recent years, a number of courts have held that state discrimination laws that protect against source of income discrimination are not preempted by federal Section 8 law and that the burden of participating in the Section 8 program is not onerous. This measure amends the State's Landlord-Tenant Code to prohibit discrimination in rental transactions, including advertisements for available rental dwelling units, based on lawful source of income and ensures that low-income individuals and families are able to access housing opportunities that may otherwise be unavailable to them.

Your Committee has heard the concerns raised in testimony regarding the appropriate location for the anti-discrimination provisions proposed by this measure. Your Committee understands that neither the Landlord-Tenant Code nor the chapter relating to discrimination in real property transactions is the most appropriate location for source-of-income discrimination provisions. However, it is your Committee's intent that the Office of Consumer Protection and the Hawaii Civil Rights Commission be the agencies responsible for acting on complaints based on source-of-income discrimination.

Your Committee has also heard the concerns raised in testimony regarding inspections of dwelling units by the Hawaii Public Housing Authority, who noted that the Authority may not always need to schedule a re-inspection and that the re-inspection requirements proposed by this measure may be overly burdensome.

Accordingly, your Committee has amended this measure by:

- (1) Adding the prohibitions against discrimination in rental transactions based on source of income into a new chapter of the Hawaii Revised Statutes, rather than as a new part in the Landlord-Tenant Code;
- (2) Clarifying the definition of "rental transaction";
- (3) Clarifying other prohibited discriminatory practices in a rental transaction;
- (4) Removing language that would have permitted a landlord to discriminate following a failed initial inspection and the dwelling unit was not re-inspected within three business days;
- (5) Specifying the remedies, including enforcement by civil action, which may be brought by an aggrieved renter;
- (6) Clarifying that the Office of Consumer Protection or the Hawaii Civil Rights Commission are the agencies that shall receive, investigate, and resolve disputes;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 127, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 127, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Espero).

SCRep. 468 Commerce, Consumer Protection, and Health on S.B. No. 385

The purpose and intent of this measure is to:

- (1) Authorize insurers, mutual benefit societies, and health maintenance organizations to offer, sell, or renew, on or after January 1, 2018, a high deductible health plan in conjunction with a health savings account to an employer subject to the Prepaid Health Care Act together with a prepaid health care plan insurance policy; and
- (2) Specify limitations for high deductible health plans and health savings accounts.

Your Committee received testimony in support of this measure from the University Health Alliance; JTB Hawaii, Inc.; and one individual. Your Committee received testimony in opposition to this measure from the International Longshore and Warehouse Union, Local 142 and Americans for Democratic Action – Hawai‘i. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Department of Taxation, Department of the Attorney General, Hawaii Medical Service Association, and Kaiser Permanente Hawaii.

Your Committee finds that health savings accounts are authorized under federal law and afford employees and their families, who also have a high deductible health plan, a tax-advantaged medical savings account. A health savings account is not subject to federal income tax at the time of deposit and is portable, meaning unspent balances continue to accumulate over time and follow an employee, should the employee change jobs. Your Committee further finds that health savings accounts are not appropriate for every employee, but for those employees who may be better matched with a health savings account program rather than a group plan, health savings accounts offer significant financial incentives.

Your Committee has heard testimony from the Department of the Attorney General concerning the possibility that this measure may be subject to an Employee Retirement Income Security Act preemption challenge. Your Committee understands these concerns and believes this issue may warrant further discussion by your Committees on Judiciary and Labor and Ways and Means.

Your Committee has amended this measure by:

- (1) Clarifying that when a high deductible health plan is offered, sold, or renewed in conjunction with a health savings account, an employer must also ensure that a prepaid health care plan health insurance policy or plan contract, which meets the requirements of the Prepaid Health Care Act and is not a high deductible health plan, is also offered to each eligible insured;
- (2) Clarifying that insurers, mutual benefit societies, and health maintenance organizations are not required to serve as the primary custodian or trustee of a health savings account;
- (3) Specifying that the Department of Labor and Industrial Relations maintains the ability and oversight to determine if a high deductible health plan or health savings account complies with the Prepaid Health Care Act;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 385, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 385, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6; Ayes with Reservations (Espero, Ihara, Kidani). Noes, none. Excused, 1 (Ruderman).

SCRep. 469 Commerce, Consumer Protection, and Health on S.B. No. 208

The purpose and intent of this measure is to:

- (1) Adopt the National Conference of Insurance Legislators (NCOIL) Model Unclaimed Life Insurance Benefits Act (Model Act), which requires life insurers to conduct database searches using the federal Social Security Administration Death Master File or similar database to determine whether an insured has died; and
- (2) Require life insurers to use good faith efforts to locate any beneficiaries to a policy, contract, or retained asset account.

Your Committee received testimony in support of this measure from the American Council of Life Insurers and one individual. Your Committee received comments on this measure from the Department of Budget and Finance and Department of Commerce and Consumer Affairs.

Your Committee finds that since the inception of the NCOIL Model Act in 2011, twenty-three states have enacted laws based upon the Model Act. The Model Act provides a foundation for insurers to use the Social Security Administration Death Master File to obtain notice of death of an insured in the absence of a claim and search for beneficiaries within ninety days. Your Committee further finds that this measure establishes requirements that have become a national standard of consumer protection and enables timely compliance by all life insurers for consumers in the State.

Your Committee has amended this measure by:

- (1) Inserting language that specifies that an insurer comparison of in-force policies, contracts, and retained asset accounts shall be first conducted electronically, if records are available electronically, followed by using the most easily accessible insurer records;

- (2) Inserting language that specifies that the Death Master File comparison requirements do not limit an insurer from requesting a valid death certificate as part of any claims validation process;
- (3) Inserting language that authorizes the Insurance Commissioner to adopt rules to implement the provisions of this measure governing insurer comparisons against the Death Master File;
- (4) Deleting language that would have required an insurer, after notifying the Director of Finance upon the expiration of the statutory time period for escheat, to immediately submit an unclaimed policy or contract benefits or unclaimed retained asset accounts to the Director of Finance;
- (5) Inserting language that authorizes the Insurance Commissioner to use discretion to limit, exempt, or phase-in compliance with the requirements of this measure under certain circumstances; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 208, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 208, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 470 Commerce, Consumer Protection, and Health on S.B. No. 1312

The purpose and intent of this measure is to establish:

- (1) Mandatory licensing for midwives, beginning July 1, 2019; and
- (2) A temporary advisory committee on midwife licensing, until July 1, 2019.

Your Committee received testimony in support of this measure from the Hawaii Women's Coalition, Midwives Alliance of Hawaii, Breastfeeding Hawaii, Health Mothers Healthy Babies Coalition of Hawaii, and eight individuals. Your Committee received testimony in opposition to this measure from the Hawai'i State Center for Nursing; American Congress of Obstetricians and Gynecologists, Hawaii Section; Hawaii Affiliate of the American College of Nurse-Midwives; The Queen's Health Systems; Birth Sovereignty; Hot Yoga Hilo; and over one hundred seventy individuals. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs; Office of Hawaiian Affairs; Office of the Auditor; Board of Nursing; Kapi'olani Medical Center for Women and Children; Papa Ola Lokahi; We Are One, Inc.; and nine individuals.

Your Committee finds that midwives play a vital role in the home childbirth process. Midwives monitor the pregnant mother's health, monitor the weight, heart rate, and position of the baby, provide prenatal care, assist during labor and delivery, and offer guidance about breastfeeding and other newborn care issues. The important work performed by midwives necessarily has a direct effect on the health and safety of mothers and newborns. In recognition of this impact, the Office of the Auditor recently recommended that every person who provides maternity and prenatal services as a midwife be subject to mandatory licensing requirements, to protect health and safety and ensure that certain minimum standards and qualifications are met. This measure therefore establishes mandatory licensing requirements for persons who engage in the practice of midwifery care.

However, your Committee has heard the concerns that this measure does not distinguish between different kinds of midwives. According to testimony received by your Committee, the paths to becoming a certified nurse midwife, a certified midwife, and a certified professional midwife vary greatly. Your Committee notes that certified nurse midwives require a registered nurse license and an advanced practice registered nurse license. Certified nurse midwives in Hawaii are already regulated by the Board of Nursing and your Committee understands that putting lay midwife licensure under the Board of Nursing may require the Board to oversee a health care profession outside of the profession of nursing.

Your Committee has also heard the concerns that this measure makes no exemptions for licensure for traditional Native Hawaiian healers. Your Committee appreciates the important role Native Hawaiian healers play in maternal and child care and also recognizes and appreciates the unique right, guaranteed under the Hawaii State Constitution, of Native Hawaiians to practice and perpetuate their cultural and religious beliefs. Accordingly, your Committee concludes that amendments to this measure are necessary to make it clear that the licensing structure contemplated by this measure shall apply only to certified midwives and certified professional midwives.

Your Committee notes that, rather than establishing an advisory committee under the Board of Nursing, a more appropriate avenue for licensure is to establish a separate Board of Midwifery, within the Department of Commerce and Consumer Affairs, which shall focus on licensing and oversight of certified midwives and certified professional midwives. Your Committee also notes that additional amendments to this measure are necessary to establish regulations for certified midwives and certified professional midwives that are based on the standards and best practices adopted by the United States Midwifery Education, Regulation, and Association coalition.

Accordingly, your Committee has amended this measure by:

- (1) Updating definitions;
- (2) Establishing a seven-member Board of Midwifery, rather than an advisory committee to the State Board of Nursing, within the Department of Commerce and Consumer Affairs, who shall oversee the licensing and regulation of licensed certified midwives and licensed certified professional midwives in Hawaii;
- (3) Clarifying the composition, terms, and appointment of members of the Board of Midwifery;

- (4) Requiring the Board of Midwifery to establish scope of practice standards for the practice of midwifery by licensed certified midwives and licensed certified professional midwives and requiring the standards to:
 - (A) Be based on standards and scope of practice established by the United States Midwifery Education, Regulation, and Association coalition for certified midwives and certified professional midwives; and
 - (B) Include requirements for educational standards, ethical conduct, client protection, disclosures, immunity from vicarious liability, and recordkeeping;
- (5) Clarifying the licensure requirements for certified midwives and certified professional midwives;
- (6) Clarifying the exemptions from licensure requirements, including exempting certified nurse midwives regulated by the Board of Nursing and traditional Native Hawaiian healers recognized as such by a council convened by Papa Ola Lokahi;
- (7) Clarifying that unless otherwise exempted, after December 31, 2020, no person shall practice midwifery in Hawaii or hold themselves out as a certified midwife or certified professional midwife without being appropriately licensed;
- (8) Requiring the Department of Commerce and Consumer Affairs to convene a working group of interested stakeholders to consider certain matters related to the practice of midwifery in Hawaii and report to the Legislature prior to the convening of the Regular Session of 2018;
- (9) Requiring the Board of Midwifery to establish the midwifery licensing program by July 1, 2019; provided that licenses for certified midwives and certified professional midwives shall be issued by the board beginning July 1, 2020, and requiring the Board to submit a report to the Legislature, no later than twenty days prior to the Regular Session of 2019, regarding the status of the licensing program;
- (10) Deleting language that would have established requirements for client protection, disclosure, record keeping, and immunity from vicarious liability, as these requirements will be based on standards established by the United States Midwifery Education, Regulation, and Association coalition;
- (11) Deleting language that would have established a temporary advisory council to the Board of Nursing on midwife licensing matters;
- (12) Inserting an effective date of July 1, 2020, to encourage further discussion;
- (13) Updating the purpose section; and
- (14) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1312, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1312, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Chang). Noes, none. Excused, none.

SCRep. 471 Commerce, Consumer Protection, and Health on S.B. No. 1129

The purpose and intent of this measure is to enact a death with dignity act in Hawaii.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i; LGBT Caucus of the Democratic Party of Hawai'i; Compassion & Choices; Compassion and Choices Hawai'i; International Longshore and Warehouse Union Local 142; Chamber of Commerce for Persons with Disabilities – Hawaii; Hawai'i Death with Dignity Society; Hawai'i State Democratic Women's Caucus; Nursing Advocates & Mentors, Inc.; Filipino-American Advocacy Network; Kupuna Caucus of the Democratic Party of Hawai'i; Hawai'i Friends of Civil Rights; Americans for Democratic Action – Hawai'i; Democratic Party of Hawai'i; Hawai'i Advocates for Consumer Rights; First Unitarian Church of Honolulu; Life of the Land; Progressive Democrats of Hawaii; Rainbow Family 808; Ho'omana Pono, LLC; and over two hundred individuals. Your Committee received testimony in opposition to this measure from the Hawaii Republican Party; Hawaii Family Forum; Hawaii Federation of Republican Women; St. Francis Healthcare System of Hawaii; Hawaii Life Alliance; Concerned Women for America of Hawaii; American Nurses Association; Disability Rights Education & Defense Fund; Hawaii Catholic Conference; The Prayer Center of the Pacific; Not Dead Yet; Second Thoughts Massachusetts; Disability Rights Advocates Against Assisted Suicide; and over five hundred individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Health, Board of Nursing, Kokua Mau, Hawai'i Psychological Association, Hawaii Association for Justice, and six individuals.

Your Committee finds that medical aid in dying is a medical practice in which a mentally capable, terminally ill adult with six months or less to live may request a prescription for a medication that the terminally ill adult can self-administer to achieve death in a peaceful, humane, and dignified manner. While hospice and palliative care are widely available and may be an excellent option for some, care provided through these methods is still within the control of a health care provider, not a terminally ill patient who may wish for the freedom to make the patient's own end-of-life decisions. Furthermore, the American public consistently supports medical aid in dying. According to testimony received by your Committee, in Hawaii, a recent poll found that eighty percent of respondents were in favor of this end-of-life care option across all demographics, including ethnicity, age, economic status, and religion.

Your Committee further finds that this measure is modeled after Oregon's groundbreaking Death with Dignity Act, which has been in effect for over twenty years and was enacted during a time when no other state authorized the medical practice of aid in dying. Since that time, other states, including California, Colorado, Vermont, and Washington, have evaluated Oregon's experience and have enacted similar legislation. Your Committee also finds that medical aid in dying is a safe and trusted practice. In the states that have authorized the practice, there has not been a single documented instance of coercion or abuse. The laws in these other states are

working as intended. Furthermore, rather than posing a risk to patients or the medical profession, Oregon's Death with Dignity Act has galvanized significant improvements in the care of the state's terminally ill and dying.

Your Committee additionally finds that the availability of the option of medical aid in dying gives a terminally ill individual autonomy, control, and choice. Your Committee notes that this choice is the overwhelming motivational factor behind the decision to request assistance in dying. A terminally ill individual who seeks medical aid in dying may ultimately not choose to exercise this option; however, the mere availability of such a choice can bring comfort to people in their final days.

Your Committee further finds that any medical aid in dying legislation must include proper safeguards that prevent abuse and coercion. In order for any medical aid in dying option to truly be a choice, it must not be the only option. Accordingly, this measure includes numerous, strict safeguards that protect against abuse and coercion and promote choice. This measure establishes strict eligibility criteria and guidelines that meet the highest standard of care for the medical practice of aid in dying, as described in clinical criteria published in the Journal of Palliative Medicine. Under this measure, to be eligible for aid-in-dying medication, adults must be terminally ill, with a prognosis of six months or less to live, and be mentally capable of making their own health care decisions. Importantly, this measure clearly states that no person shall qualify for medical aid in dying solely based on age or disability.

This measure also has core safeguards that require the attending provider to inform terminally ill adults about other end-of-life options, including comfort care, hospice care, and pain control; require a second provider to confirm the terminal diagnosis, prognosis, and mental capability; and require the terminally ill adult to make two verbal and one written request, signed by two witnesses. In keeping with the overarching theme of choice, this measure clearly states that a qualified patient may rescind a request at any time and in any manner. Furthermore, providers may not write a prescription for medication under this measure without offering a qualified patient the opportunity to rescind a request.

Your Committee concludes that a terminally ill person's end-of-life choices are deeply personal, private matters that should be left to the patient, the patient's family, and the patient's attending provider. Accordingly, this measure permits mentally capable, terminally ill adults in Hawaii to have the choice and autonomy to make informed decisions regarding their end-of-life care.

Your Committee notes that advanced practice registered nurses are a vital part of the health care system in Hawaii and are primary care providers to many patients in the State, particularly in rural areas of the neighbor islands. Amendments to this measure are necessary to ensure advanced practice registered nurses are included in the role of attending providers and consulting providers for qualified patients. Your Committee also notes that the Department of the Attorney General testified that certain language in this bill, regarding identified agents of the patient and protection from civil or criminal liability may need to be clarified. Your Committee notes that additional discussion by your Committee on Judiciary and Labor may be warranted to address these issues.

Your Committee has amended this measure by:

- (1) Clarifying that the new chapter proposed shall be titled, "Medical Aid in Dying Act";
- (2) Amending the definitions of "attending physician" and "consulting physician" to "attending provider" and "consulting provider", respectively, to include advanced practice registered nurses and making associated conforming amendments;
- (3) Amending the definition of "counseling" to include an advanced practice registered nurse;
- (4) Inserting a definition of "health care facility";
- (5) Clarifying that medication prescribed to qualified patients may be taken only through self-administration;
- (6) Clarifying that one of the witnesses for a patient in a long-term care facility must have qualifications specified by the Department of Health, rather than the Department of Human Services;
- (7) Requiring a patient's death certificate to list the underlying terminal disease as the cause of death;
- (8) Clarifying that a civil identification card, commonly known as a Hawaii state identification card, may be used as a factor demonstrating state residency;
- (9) Providing immunity from liability for health care facilities participating in good faith compliance with this measure;
- (10) Making conforming amendments to clarify that existing law on advanced health care directives, pain patients' bill of rights, and provisions in the penal code on murder in the second degree and manslaughter, do not apply to actions taken under this measure; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1129, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Espero).

SCRep. 472 Commerce, Consumer Protection, and Health on S.B. No. 382

The purpose and intent of this measure is to make various updates to the structure and operations of the Public Utilities Commission to increase efficiency and effectiveness, including:

- (1) Permitting teleconference and videoconference abilities;
- (2) Updating the composition of the Commission;

- (3) Specifying training requirements for commissioners;
- (4) Clarifying commissioners' ability to appoint and employ staff;
- (5) Permitting neighbor island commissioners to receive per diem compensation and compensation for travel expenses;
- (6) Requiring the Commission to report to the Legislature regarding certain staff duties; and
- (7) Requiring a management audit of the Commission.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Young Brothers, Limited; and two individuals. Your Committee received comments on this measure from the Public Utilities Commission; Office of the Auditor; and International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO.

Your Committee finds that the Public Utilities Commission (Commission) has several long and short term goals that reflect the Commission's increased work complexity and program responsibilities, which go beyond the Commission's traditional regulatory role. Due to the Commission's increasing responsibilities and the evolution of the regulatory landscape, it is essential that the structure and operations of the Commission be updated to enable the Commission to operate more efficiently and effectively, consistent with best practices.

Your Committee further finds that the Commission and its commissioners are required to fill three equally essential and nonexclusive roles. In their quasi-administrative capacity, commissioners interpret policy and apply technical expertise to the routines of rulemaking, implementation, and enforcement. In their quasi-legislative capacity, commissioners craft policy and inform and support policymaking by other bodies. In their quasi-judicial capacity, commissioners must make findings and rulings in the context of particular cases, in accordance with established law and legal procedures. Commissioners serving on the Commission therefore fill a unique role, and careful consideration and deliberation must be given to ensure that the Commission is able to operate in a collaborative, cohesive manner.

Your Committee finds that this measure is an important step to increase efficiency and effectiveness of the Commission. However, additional amendments are necessary to ensure improvements such as greater collaboration, better diversity of background and experience amongst commissioners, transparency, improved utilization of staff, and adequate training.

Accordingly, your Committee has amended this measure by:

- (1) Broadening the scope of the guiding principles of the Commission to encompass all regulated entities under the Commission's jurisdiction;
- (2) Requiring the Commission to establish a docket review and decision-making process that encourages collaboration;
- (3) Clarifying that a commissioner may attend a public hearing or meeting or work with staff by teleconference or videoconference in specific situations;
- (4) Requiring the Executive Officer, Chief Counsel, Chief of Policy and Research, and any individual employed as or in the role of a hearings officer of the Commission to annually file a disclosure of financial interests with the State Ethics Commission and requiring these disclosures to be public;
- (5) Clarifying the procedure for filling a vacancy that occurs during a commissioner's term;
- (6) Clarifying the composition of the Commission to ensure a diversity of knowledge, expertise, and backgrounds;
- (7) Clarifying the educational and training opportunities for commissioners and key staff;
- (8) Enabling commissioners to request and be provided with the services of a Commission staff attorney and a researcher to assist the requesting commissioner on commission-related work;
- (9) Clarifying that each commissioner, other than the chairperson, may appoint and employ a clerical or support staff person to assist with that commissioner's duties;
- (10) Specifying that the Chief Counsel of the Commission must devote full time to the Chief Counsel's duties and may not hold other public office, employment, or have any interest in a public utility while serving as Chief Counsel;
- (11) Clarifying that the Executive Officer of the Commission shall not be involved in the development of policy or in any decision making for the Commission;
- (12) Updating the contents of the requested management audit;
- (13) Specifying that the Governor shall nominate the two additional commissioners to the Commission beginning on Opening Day of the 2018 Regular Session of the Legislature, and requiring the Commission to be comprised of five commissioners who reflect the requisite diversity of background, experience, gender, and residency, by July 1, 2018;
- (14) Inserting an effective date of July 1, 2050, to encourage further discussion; provided that the increase in commissioners to the Commission shall take effect January 1, 2018;
- (15) Updating the purpose section; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure is a work in progress and additional discussion may be warranted to ensure that the Commission operates as efficiently and effectively as possible. For example, this amended measure clarifies the role of the

Executive Officer, who serves in a statutorily-designated administrative capacity, as well as the Chief Counsel. Your Committee notes that further discussion may be needed to determine to what extent, if any, the commissioners may amend such statutorily determined roles should they desire to do so.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 Second Reading in the form attached hereto as S.B. No. 382, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Chang, Ihara). Noes, none. Excused, 2 (Espero, Ruderman).

SCRep. 473 (Joint) Economic Development, Tourism, and Technology and Higher Education on S.B. No. 1191

The purpose and intent of this measure is to:

- (1) Extend the motion picture, digital media, and film production income tax credit for an additional ten years to provide economic incentive predictability for the film industry; and
- (2) Increase accountability for educational and workforce development contributions associated with the credit.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; County of Kauai, Office of Economic Development; University of Hawaii System; Motion Picture Association of America; SAG-AFTRA Hawaii Local; I.A.T.S.E. Local 665; A.F.M. Local 677; Teamsters Local 996; Hawaii State AFL-CIO; and five individuals. Your Committees received comments on this measure from the Department of Taxation, Office of the Auditor, and Tax Foundation of Hawaii.

Your Committees find that the motion picture, digital media, and film production income tax credit provides consistency and certainty for production planning, industry growth, and development of new infrastructure. Your Committees find that the measure would provide potential funding to support students at the University of Hawaii in creative media programs and projects. Your Committees further find that this measure will have a positive impact in ensuring support for the film production industry while helping to develop a strong workforce for the growing industry in the State.

Your Committees have amended this measure by:

- (1) Changing the effective date to January 1, 2020; 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 Economic Development, Tourism, and Technology and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1191, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1191, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 474 (Joint) Economic Development, Tourism, and Technology and Higher Education on S.B. No. 907

The purpose and intent of this measure is to:

- (1) Repeal the Department of Business, Economic Development, and Tourism's ongoing reporting requirement to the Legislature regarding greenhouse gas emissions; and
- (2) Redirect the Department of Business, Economic Development, and Tourism's responsibility to appoint the panel to conduct the evaluation of the Energy Systems Development Special Fund projects to the University of Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and University of Hawai'i System. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Greenhouse Gas Emissions Reduction Task Force was dissolved in 2010; therefore, reporting every five years is no longer practical or useful. Your Committees further find that the Hawaii Natural Energy Institute comes under the purview of the University of Hawaii. Thus, the University of Hawaii would be the proper entity to appoint the panel to conduct the evaluation of the Energy Systems Development Special Fund projects.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 907 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

SCRep. 475 (Joint) Economic Development, Tourism, and Technology and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1290

The purpose and intent of this measure is to:

- (1) Provide a fair, consistent, and predictable priority allocation of transient accommodations tax revenues to the tourism special fund;
- (2) Maintain the allocation of transient accommodations tax revenues to existing obligations at present levels;
- (3) Provide a fair, consistent, and predictable allocation of the balance of the transient accommodations tax revenues between the State and the counties; and
- (4) Provide flexibility to the tourism special fund, State, and counties in the utilization of their respective allocations.

Your Committees received testimony in support of this measure from the Office of the Managing Director, City and County of Honolulu; County of Hawaii; Hawai'i County Council; County Council, County of Maui; Hawaii State Association of Counties; and four individuals. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority. Your Committees received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committees find that the transient accommodations tax has evolved, and its structure and frequent amendment, combined with the cyclical nature of the visitor industry and the tax revenues it generates, has resulted in ongoing discussion among various stakeholders as to simplifying and clarifying the tax. Your Committees find that the application of the transient accommodations tax and the allocation of its revenues should be clear, consistent, and predictable over time. Your Committees further find that the transient accommodations tax is a vital revenue source for the counties and that allocating forty-five percent of the remaining revenues to the counties will create a fair, consistent, and predictable allocation between the State and counties.

Your Committees have amended this measure by:

- (1) Removing language that would have adjusted the Hawaii Tourism Authority budget based on inflation;
- (2) Removing the \$500,000 allocation for structural improvements to parks and public facilities to be determined with community input;
- (3) Increasing the allocation for the operation of a Hawaiian center and the museum of Hawaiian music and dance at the Hawaii convention center to \$1,000,000; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology 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. 1290, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1290, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Thielen).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 476 Education on S.B. No. 281

The purpose and intent of this measure is to appropriate funds to the Department of Education for completing the second phase of planning, design, and construction for a new high school in Kihei, Maui.

Your Committee received testimony in support of this measure from the Department of Education and one individual.

Your Committee finds that significant population growth on the island of Maui, particularly in the Kihei-Makena region, along with geographical separation of the southern area of Maui from existing central Maui high schools, has created a need for a new high school in south Maui. Your Committee further finds that the Legislature appropriated \$130,000,000 for the completion of this high school, but fiscal concerns and changes in administration resulted in only the first phase of the project being completed. This measure will appropriate funds to finish the second phase of the project and construct the physical buildings of the new high school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 281 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 477 Education on S.B. No. 318

The purpose and intent of this measure is to allow home schooled students to participate in extracurricular activities offered at the public school that they would otherwise be required to attend.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that extracurricular activities provide valuable opportunities for children to interact with peers and build important social skills. Your Committee further finds that these activities are frequently offered by schools, and that home schooled children are limited in their ability to participate in them. This measure will allow home schooled children to benefit from extracurricular activities.

Your Committee has amended this measure by:

- (1) Adding language requiring that, before participating in extracurricular activities, home schooled students shall:

- (A) Submit their birth certificate and proof of residency to the Department of Education; and
 - (B) Be registered as a home schooled student at the beginning of the school year and at least twelve months prior to participation; and
- (2) Making 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. 318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 318, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 478 (Joint) Education and Higher Education on S.B. No. 647

The purpose and intent of this measure is to:

- (1) Make appropriations to:
 - (a) Leeward Community College for its special education coursework for teacher licensure; and
 - (b) The Department of Education's alternate teacher route contract and teacher induction and mentoring programs;
- (2) Require the Auditor to report on teacher retention statistics on a school-by school basis; and
- (3) Allow retired teachers to be rehired to teach if they earn no more than certain amounts.

Your Committees received testimony in support of this measure from the Department of Education; University of Hawai'i System; Office of the Vice President of Community Colleges, University of Hawai'i System; and twenty-nine individuals. Your Committees received testimony in opposition to this measure from the Employees' Retirement System. Your Committees received comments on this measure from the Office of the Auditor and one individual.

Your Committees find that there is a shortage of qualified teachers in Hawaii's public schools that has a detrimental effect on student learning. Your Committees further find that innovative, non-traditional programs exist for the recruitment and development of teachers. This measure will provide support for innovative programs to bring qualified teachers into the State's public school classrooms.

Your Committees additionally find that certain statutory provisions relating to retirement are necessary to fulfill federal requirements for the tax-qualified status of the state retirement system. The Employees' Retirement System testified that rehiring of retired teachers may jeopardize that tax-qualified status.

Accordingly, your Committees have amended this measure by:

- (1) Removing language allowing the rehiring of retired teachers; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 647, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 647, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Education: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).
Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 479 (Joint) Transportation and Energy and Judiciary and Labor on S.B. No. 792

The purpose and intent of this measure is to transfer all fines and forfeitures collected for uncontested traffic violations to the county wherein the violations occur.

Your Committees received testimony in support of this measure from the Council Chair of the Kaua'i County Council. Your Committees received comments on this measure from the Judiciary.

Your Committees find that the counties administer the traffic violations bureau on behalf of the State. Under existing law all traffic violation fines are paid to the State but are collected by the counties.

Your Committees further find that the counties are in dire financial straits and desperately need more revenue. Your Committees believe that the counties should share in the revenue from certain traffic fines.

Your Committees have amended this measure by:

- (1) On the recommendation of the Judiciary, inserting language that mandates an unspecified amount to be transferred to the counties rather than all amounts in excess of the amounts required by the State to pay the administrative costs of the traffic violations bureau;
- (2) Clarifying that each county shall receive an unspecified percentage of the fines collected in that county; and
- (3) Inserting an effective date of January 1, 2020, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 792, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 792, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 480 Transportation and Energy on S.B. No. 361

The purpose and intent of this measure is to establish a tax incentive for energy storage to support the development of energy storage for residential, commercial, and utility-scale systems.

More specifically, this measure:

- (1) Establishes an income tax credit for taxpayers who purchase and install eligible energy storage systems where the amount of credit depends on type of system installed, filing status, and federal adjusted gross income of the taxpayer beginning with taxable years after 2017;
- (2) Allows excess credit to carry-over to subsequent tax years or be refundable under certain conditions; and
- (3) Amends the reusable energy technologies tax credit to harmonize definitions.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association; Distributed Energy Resources Council of Hawaii; Air-Conditioning, Heating and Refrigeration Institute; Amber Kinetics; and three individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy. Your Committee received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and Ulupono Initiative.

Your Committee finds that supporting the growth and development of alternative energy is essential to the future health of the State. A strong local economy depends on a transition away from traditional, imported fuel sources and toward renewable, local resources. The Legislature has recognized the importance of this transition and has established a goal of a one hundred percent renewable energy economy in the State by 2045. One way to advance the transition to renewable sources of energy is to incentivize the adoption of renewable energy storage systems through a tax credit. Your Committee, however, understands the concerns raised in testimony that a tax credit, such as one targeting renewable energy storage systems, should be fiscally responsible. It is therefore important to ensure that those to whom the credit is available do not abuse the tax incentive system and to establish an end date for the incentive program.

Your Committee has amended this measure by:

- (1) Clarifying that owners and not users of energy storage systems are eligible for the tax credits;
- (2) Establishing a cap for the tax credit available to owners of combined energy storage and solar energy systems;
- (3) Inserting language that no tax credit may be claimed for taxable years beginning after December 31, 2035;
- (4) Requiring the Department of Business, Economic Development, and Tourism to conduct a study and report to the Legislature on, among other things, the adoption of energy storage systems in the State and the impact of the tax credit; 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 Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 361, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 361, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 481 Transportation and Energy on S.B. No. 665

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, wind energy property, and energy storage property; and
- (2) Establish a new calculation method and cap amount for the tax credit for a solar energy property and an energy storage property.

Your Committee received testimony in support of this measure from the Hawaii Solar Energy Association, Amber Kinetics, Distributed Energy Resources Council of Hawaii, Ulupono Initiative, and three individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Tax Foundation of Hawaii; and one individual.

Your Committee finds that supporting the growth and development of alternative energy and alternative energy storage is essential to the future health of the State. Part of that support requires the encouragement of widespread adoption of wind, solar, and energy storage properties. Tax credits are an effective method of fostering the development of these essential components of the State's changing energy landscape. Your Committee, however, understands the concerns raised in testimony that a tax credit, such as one targeting renewable energy systems, should be fiscally responsible. It is therefore important to ensure that those to whom the credit is

available do not abuse or circumvent the tax credit offering and to also establish an end date for the incentive program to minimize the potential for abuse.

Your Committee has amended this measure by:

- (1) Establishing a cap for the credit available to owners of combined energy storage and solar energy systems;
- (2) Inserting language that no tax credit shall be allowed after the taxable year ending December 31, 2035; 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 Energy 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 Second Reading in the form attached hereto as S.B. No. 665, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 482 (Joint) Water and Land and Economic Development, Tourism, and Technology and Housing on S.B. No. 671

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources (DLNR) and the Hawaii Community Development Authority (HCDA) to negotiate and execute leases up to ninety-nine years on DLNR and HCDA lands that are located within one-half mile of the City and County of Honolulu's planned rail transit stations, provided that affordable housing is included in the development plan for the lands to be leased.

Your Committees received testimony in support of this measure from the Hawaii Habitat for Humanity Association. 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, Hawaii Community Development Authority, and Department of Human Services.

Your Committees find that it is in the public interest to encourage mixed-use development that includes affordable housing on state lands near the planned rail transit stations, and that extending the maximum lease term that DLNR and HCDA may negotiate for certain property to ninety-nine years will incentivize such private development by supporting long-term sustainable development plans. Your Committees find that encouraging transit-oriented development projects will contribute to the overall success of the public transportation projects in the State and will vitalize urban areas. Your Committees further find that requiring safe, adequate, and affordable housing in mixed-use developments strengthens communities as affordable and stable housing is linked with improved health, education, and economic outcomes for families and children.

Your Committees have amended this measure by:

- (1) Clarifying that the authority granted to DLNR and HCDA is contingent upon all housing built in a mixed-use development being reserved for residents and families earning up to sixty percent of the area median income, rather than affordable housing being included in the mixed-use development plan for lands to be leased;
- (2) Expanding the geographic area to lands within one mile of a rail transit station being eligible for a lease;
- (3) Inserting an effective date of March 15, 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 Water and Land, Economic Development, Tourism, and Technology, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 671, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 671, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Taniguchi).

Housing: Ayes, 3; Ayes with Reservations (Espero). Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 483 (Joint) Water and Land and International Affairs and the Arts on S.B. No. 847

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the planning, design, and construction of a visitor and interpretative center at Diamond Head State Monument if the Department of Land and Natural Resources seeks private or federal funds.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Diamond Head Citizens Advisory Committee, and one individual. Your Committees received testimony in opposition to this measure from two individuals.

Your Committees find that the Diamond Head State Monument is one of the icons that represent Hawaii around the world and attracted over one million visitors in 2016. Your Committees further find that there is a critical need for a visitor and interpretive center at the State Monument to enrich the current visitor experience by offering enhanced education, services, and management of this heavily visited and significant attraction.

As affirmed by the records of votes of the members of your Committees on Water and Land and International Affairs and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 847 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 484 Water and Land on S.B. No. 808

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources for the operational expenses and staffing costs of the Hawaii Association of Conservation Districts.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Hawaii Association of Conservation Districts; Hawai'i Farm Bureau; Hawaii Cattleman's Council; Local Food Coalition; Hawaii Crop Improvement Association; Hawaii Coffee Association; Ka'u Soil and Water Conservation District; East Kauai Soil and Water Conservation District; East and West Kauai Soil and Water Conservation Districts; Kauai County Farm Bureau; Waiakea Soil and Water Conservation District; Larry Jeffs Farms, LLC; and nine individuals.

Your Committee finds that the Hawaii Association of Conservation Districts, through the Soil and Water Conservation Districts (SWCDs), assists government agencies in identifying and implementing culturally sensitive projects and practices to ensure the protection of Hawaii's environment. The SWCDs bring significant financial resources to Hawaii to improve farm practices, reduce erosion, improve water quality, fight invasive species, improve public safety, protect property, conserve water, and strengthen the economy. SWCDs also provide education and community support for conservation awareness, and assist each county in reviewing county grading permits and conservation plans. The SWCD Program does not have a base budget appropriation, and funding is required in order for the SWCDs to continue their activities, which undoubtedly benefit the people of Hawaii.

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. 808 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 485 Water and Land on S.B. No. 987

The purpose and intent of this measure is to:

- (1) Expand the use of the transaction fee authorized under Act 120, Session Laws of Hawaii 2009, to include purchases of software, project management and implementation, workflow improvements, and services related to the management, archiving, preservation, and accessibility of records at the Bureau of Conveyances and the Office of the Assistant Registrar of the Land Court; and
- (2) Clarify that the transaction fee authorized under Act 120, Session Laws of Hawaii 2009, as amended by this measure, shall be repealed on the effective date of administrative rules adopted by the Department of Land and Natural Resources that include the establishment of a transaction fee for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court, or on July 1, 2022, whichever occurs first.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Land Title Association; Title Guaranty of Hawaii, Inc.; and five individuals.

Your Committee finds that because of the transaction fee authorized by Act 120, Session Laws of Hawaii 2009, the Bureau of Conveyances ("Bureau") has significantly improved the automation and integrity of the recording process, established web and digital access to parts of the Bureau's database and records, and created the portal and process for the electronic recording of documents. Your Committee finds that expanding the authorized use of the transaction fee will address evolving issues facing the Bureau, including the need to improve digitization, resolve shortfalls with the current land records management system, improve workflow processes for records certification, and preserve physical records. Your Committee further finds that the public will benefit from the continued modernization of the operations within the Bureau and the Office of the Assistant Registrar of the Land Court.

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. 987 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 486 Water and Land on S.B. No. 1123

The purpose and intent of this measure is to appropriate funds for the employment of lifeguards and purchase of life-saving equipment at Kua Bay, Kekaha Kai State Park.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of the Mayor of the County of Hawaii, Kohala Coast Resort Association, and one individual.

Your Committee finds that Kua Bay, located within Kekaha Kai State Park, due to its location and recent improvements has been experiencing increased popularity with growing numbers of visitors. The increase in visitors has been accompanied by an alarming increase in water safety incidents. Your Committee finds that in the interest of public health and safety, it is necessary to appropriate funds for lifeguards and life-saving equipment at Kua Bay.

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. 1123 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Thielen).

SCRep. 487 Water and Land on S.B. No. 1262

The purpose and intent of this measure is to:

- (1) Establish the Cat and Wildlife Task Force to make recommendations to the Legislature regarding the humane reduction of free-roaming cat populations and their impacts on wildlife; and
- (2) Appropriate funds to cover professional fees and services for the facilitator of the task force.

Your Committee received testimony in support of this measure from the Humane Society of the United States, Neighborhood Cats, Conservation Council of Hawai'i, Hawaiian Humane Society, West Hawaii Humane Society, Hawaii Island Humane Society, SPCA Maui, and nineteen individuals. Your Committee received testimony in opposition to this measure from the Society of Professional Journalists Hawaii Chapter, Best Friends Animal Society, Animal Rights Hawaii, Save an Animal, Aloha Animal Advocates, Hawaii Cat Foundation, SPCA Kauai, Kauai Community Cat Project, Hui Pono Holoholona, Daze of Camelot Animal Sanctuary, Love a Cat Charity, For Forgotten Felines, and forty individuals. Your Committee received comments on this measure from the National Oceanic and Atmospheric Administration Fisheries Service, American Bird Conservancy, Department of Land and Natural Resources, Rainbow Friends Animal Sanctuary, and seven individuals.

Your Committee finds that feral cats have a negative impact on native wildlife and pose a health risk to humans; however, discussions regarding methods to mitigate the impact of feral cats are controversial and emotional. The Kaua'i Feral Cat Task Force, convened in 2014, has led the most successful effort to date to utilize the recommendations of wildlife advocates and cat advocates in identifying potential solutions to mitigate the impacts of feral cats. However, that task force took over seven months to complete its work, countless participants, and in excess of \$30,000 in expenses. Your Committee finds that the most efficient use of state resources is to direct the Department of Land and Natural Resources to take into consideration the conclusions and recommendations of the Kaua'i Feral Cat Task Force when setting department policy regarding feral cats.

Your Committee has amended this measure by:

- (1) Deleting the establishment of the Cat and Wildlife Task Force;
- (2) Deleting the appropriations for the Cat and Wildlife Task Force;
- (3) Requiring the Department of Land and Natural Resources to take into consideration the conclusions and recommendations of the Kaua'i Feral Cat Task Force when setting department policy regarding feral cats; 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 Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1262, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1262, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Kim). Noes, none. Excused, 1 (Thielen).

SCRep. 488 Agriculture and Environment on S.B. No. 1288

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist HPC Foods, Ltd., as an agricultural enterprise.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; HPC Foods, Ltd.; and one individual. Your Committee received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committee finds that the proceeds of the sale of special purpose revenue bonds will be used by HPC Foods, Ltd., for multi-project capital improvement programs. HPC Foods, Ltd., is one of Hawaii's largest produce processors and distributors, manufacturing fresh cut fruits and vegetables and their well-known mung bean, clover, soy, and radish sprouts. Your Committee further finds that the issuance of these special purpose revenue bonds is in the public interest and will benefit the public health, safety, and general welfare.

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 Agriculture and Environment 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Rhoads).

SCRep. 489 Commerce, Consumer Protection, and Health on S.B. No. 823

The purpose and intent of this measure is to require insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations to provide coverage for health care services provided by a naturopathic physician.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association, Hawaii Society of Naturopathic Physicians, American Association of Naturopathic Physicians, and twenty-nine individuals. Your Committee received testimony in opposition to this measure from Kaiser Permanente Hawaii.

Your Committee finds that naturopathic physicians may be excluded from insurance contracts in Hawaii, which forces patients who choose a naturopathic physician as their primary care provider to pay out of pocket for their primary care needs. This measure requires health insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations to provide parity of coverage for health care services provided by a naturopathic physician. Furthermore, your Committee notes that section 2706 of the federal Public Health Service Act, as added by section 1201 of the federal Patient Protection and Affordable Care Act of 2010, prohibits insurers from discriminating against any health care provider, such as a naturopathic physician, who is acting within the scope of that provider's license or certification. Amendments to this measure are necessary to ensure that the Insurance Commissioner is able to receive and investigate complaints relating to discrimination against a health care provider.

Your Committee has amended this measure by:

- (1) Requiring the Insurance Commissioner to receive and investigate complaints regarding discrimination with respect to participation under a health insurance plan against any health care provider, pursuant to section 2706 of the Public Health Service Act; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Chang). Noes, none. Excused, 1 (Ihara).

SCRep. 490 Commerce, Consumer Protection, and Health on S.B. No. 304

The purpose and intent of this measure is to:

- (1) Require the interest earned on the balance of the Hawaii Hurricane Reserve Trust Fund to be retained in the trust fund;
- (2) Require the Board of Directors of the Hawaii Hurricane Relief Fund to conduct a study of the acquisition of a catastrophic hurricane loss financing arrangement with all or a portion of the interest earned in the trust fund; and
- (3) Appropriate Hurricane Reserve Trust Fund monies for the study.

Your Committee received testimony in support of this measure from the Board of Directors of the Hawaii Hurricane Relief Fund and Hawai'i Association of REALTORS. Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that since 2002, the interest earned on the balance of the Hurricane Reserve Trust Fund has been transferred and deposited into the general fund, which helped mitigate the revenue shortfalls that affected the State during the Great Recession. Your Committee further finds that because the State's economy has improved and general fund revenues from tax sources have and are projected to increase at fairly healthy annual rates, the general fund no longer needs the interest transferred from the Hurricane Reserve Trust Fund. This measure therefore requires the interest earned on the balance of the Hurricane Reserve Trust Fund to be retained in the trust fund.

Your Committee additionally finds that this measure requires the Board of Directors of the Hawaii Hurricane Relief Fund to conduct a feasibility study regarding catastrophic hurricane loss financing. The Board of Directors of the Hawaii Hurricane Relief Fund indicated in testimony that the State Risk Management and Insurance Office may be in a better position to assess the feasibility of pursuing parametric insurance to cushion the State from catastrophic financial losses from a major hurricane.

However, the Department of Accounting and General Services testified that the Risk Management Office's primary functions are to work with the State's insurance broker to secure property and liability insurance policies that protect the State's property and employees, provide guidance to state agencies on insurance matters, and conduct training for departmental risk management coordinators. As such, a feasibility study on catastrophic hurricane loss financing or the purchase of parametric insurance for non-state property is beyond the statutory scope of the Risk Management program. Your Committee agrees with this assessment and concludes any such study should remain the responsibility of the Board of Directors of the Hawaii Hurricane Relief 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 304, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 304, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 491 Commerce, Consumer Protection, and Health on S.B. No. 288

The purpose and intent of this measure is to:

- (1) Authorize motor vehicle and boat towing options, after notice is given to occupants, for self-service storage facility owners after sixty days or more of delinquency;
- (2) Require owners to notify occupants via two of the following three methods: telephone number, electronic mail, or postal address;

- (3) Allow owners to send notices by electronic mail, publish notices of sales in any commercially reasonable manner, conduct sales online, and charge late fees; and
- (4) Authorize limits on the liability of the owner of self-service storage facilities to be based on the maximum monetary value of property that may be stored pursuant to the rental agreement.

Your Committee received testimony in support of this measure from the National Self Storage Association, SKS Management LLC, California Self Storage Association, and Storage Solution Honolulu. Your Committee received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the State's self-storage facilities lien law has remained virtually unchanged since its enactment in 1984. Accordingly, this measure is intended to update and clarify Hawaii's self-storage lien laws. However, your Committee has heard the testimony from the Office of Consumer Protection, expressing concerns with certain provisions in this measure related to notice, towing, late fees, and liability limitations. Your Committee understands these concerns and requested interested stakeholders to work together on consensus language to address these issues. Although some consensus was reached, your Committee notes that further discussion may be warranted. Your Committee also finds that amendments to this measure, which blend recommendations from the self-service storage facility industry and the Office of Consumer Protection, are necessary.

Your Committee has amended this measure by:

- (1) Specifying that, if an occupant of a self-service storage facility is sixty days or more in default, and the personal property in the leased space is a motor vehicle or boat, the motor vehicle or boat shall be deemed to be left unattended on private property and may be towed by a towing company registered in Hawaii;
- (2) Clarifying that prior to having a motor vehicle or boat towed, notice must be provided to the occupant via verified mail and electronic mail;
- (3) Clarifying the definition of "verified mail";
- (4) Clarifying that the notice provisions for rent due and notice of default and lien, notice of lien, and final demand and notice of sale shall be provided at the last known electronic mail address, then by verified mail at the occupant's last known postal address;
- (5) Removing language that would have required notice to be provided by telephone, as this method of notification may have led to ambiguity and discord between an owner and an occupant;
- (6) Requiring owners of self-service storage facilities to notify each occupant regarding the changes to the self-service storage facility law pursuant to this measure and requiring each owner to update the rental agreements modified pursuant to this measure and obtain the initials of the occupants under each rental agreement;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 288, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Espero).

SCRep. 492 (Joint) Commerce, Consumer Protection, and Health and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 383

The purpose and intent of this measure is to provide benefits for individuals who are or have previous service as a federal, state, or county firefighter in the State and develop cancer. Specifically, this measure:

- (1) Creates a rebuttable presumption that the cancer arose out of and in the course of employment as a firefighter and establishes the presumption in perpetuity following termination of service as a firefighter;
- (2) Provides access to medical coverage for cancer treatment;
- (3) Creates a process separate from the existing workers' compensation system under chapter 386, Hawaii Revised Statutes, to be used to access certain benefits due to lost wages or death due to the cancer; and
- (4) Authorizes the awarding of certain retirement benefits for disability or death due to the cancer if certain conditions are met.

Your Committees received testimony in support of this measure from the State Fire Council; State of Hawaii Organization of Police Officers; Kaua'i Fire Department; The Maritime Group, LLC; Ho'omana Pono, LLC; Hawaii Fire Fighters Association, Local 1463; and three individuals. Your Committees received testimony in opposition to this measure from the Employees' Retirement System and Department of Human Resources of the City and County of Honolulu. Your Committees received comments on this measure from the Department of Labor and Industrial Relations, Department of the Attorney General, Employer-Union Health Benefits Trust Fund, and Hawaii Medical Association.

Your Committees find that H.C.R. No. 32, H.D. 1, S.D. 1, Regular Session of 2016, requested the convening of a task force to examine cancer in the firefighting profession. Among other things, the task force found that states nationwide are beginning to provide medical coverage for occupational diseases. For example, Arizona, California, Nevada, North Dakota, and Virginia have legislation

that specifically mentions coverage of occupational diseases for firefighters due to the higher risks of contaminant exposure. Your Committees find that providing sufficient medical coverage for firefighters not only ensures that firefighters receive proper medical treatment in a timely manner, but also lessens the impact of emotional toil, financial burdens, and decreased quality of life on the families of firefighters diagnosed with cancer.

Your Committees further find that fire departments are expected to use the best equipment and management practices available, and to be vigilant with obtaining regular medical exams, so that diseases such as cancer are caught early. Efforts at prevention and detection must be a collaboration of individual efforts and the State and counties working to protect and care for the people who keep our communities safe.

Your Committees note that the benefits provided to firefighters in this measure are not an enhanced benefit or a new benefit. Rather, this measure intends to provide firefighters who develop cancer with a way to obtain accelerated access to benefits that is more efficient than applying for workers' compensation and allows firefighters to receive timely, appropriate medical care from healthcare providers who specialize in cancer treatment.

Your Committees recognize the complexity of the benefits and coverage addressed in this measure, and appreciate that this measure requires ongoing discussion. However, your Committees highlight the data demonstrating that Hawaii's firefighters are at higher risk of cancer and that Hawaii should follow other states across the country that are taking steps to provide benefits that adequately address the risks that firefighters submit themselves to for the sake of the safety of the community.

Your Committees have amended this measure by:

- (1) Adding language to the purpose section to reference studies that demonstrate firefighters have higher rates of disease than the general population, the responsibility of fire departments and fire fighters to obtain medical screenings and develop best practices to catch cancer and other diseases as early as possible, and clarify the intent of this measure;
- (2) In response to testimony from various state and county agencies, making numerous revisions to clarify the benefits proposed under this measure, the agency required and process used to make determinations regarding the awarding of benefits or administration of benefits pursuant to this measure, terms used, and the relationship between this measure and existing statutes, where necessary;
- (3) Deleting references to federal firefighters; 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, Consumer Protection, and 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. 383, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 383, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Ihara).

SCRep. 493 Commerce, Consumer Protection, and Health on S.B. No. 1159

The purpose and intent of this measure is to:

- (1) Establish the Office of Medical Marijuana Administration;
- (2) Amend certain dates and deadlines in existing law to address the delays in implementation;
- (3) Establish new deadlines for the Department of Health to implement the dispensary system, including deadlines for implementation of the Department's computer software tracking system and laboratory testing program;
- (4) Provide for an alternative means to track marijuana sales during any shutdown of the Department of Health's computer tracking system; and
- (5) Amend requirements for laboratory standards and testing to ensure product and patient safety at reasonable tolerance levels with reasonable cost implications.

Your Committee received testimony in support of this measure from the Hawaii Educational Association for Licensed Therapeutic Healthcare, Drug Policy Action Group, Hawai'i Dispensary Alliance, and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Veteran's Cannabis Alliance, Patients Without Time, and three individuals. Your Committee received comments on this measure from the Department of Health, Department of the Attorney General, and Drug Policy Forum of Hawaii.

Your Committee finds that chapter 329D, Hawaii Revised Statutes, was enacted pursuant to Act 241, Session Laws of Hawaii 2015, to establish medical marijuana dispensaries to ensure access to medical marijuana for qualifying patients. Your Committee further finds that Act 241 required the Department of Health to allow retail dispensing of medical marijuana beginning July 15, 2016, but has only recently authorized a few medical marijuana dispensary licensees to proceed with the planting or cultivation of medical marijuana. The Department has also been unable to guarantee that the dispensary program will be fully implemented in the near future.

Your Committee also finds that a medical marijuana computer tracking system is necessary and intended to ensure the safety of the product, patient, and public, and that other jurisdictions have found it useful to have a pre-determined alternative tracking system to ensure uninterrupted access to medical marijuana during any shutdown of the initial tracking system. However, your Committee also finds that there have been delays with the Department of Health's implementation of a computer tracking system and that the need for a tracking system must be balanced with patients' need to receive their medicine.

As Hawaii expands its medical marijuana program through dispensaries, it is important that discussions continue to ensure that patients have adequate and timely access to medical marijuana. Your Committee finds that establishing the Office of Medical Marijuana Administration will facilitate the efficient and fair implementation of the medical marijuana dispensary system.

Your Committee has amended this measure by:

- (1) Moving the provision establishing the Office of Medical Marijuana Administration from the chapter in Hawaii Revised Statutes pertaining to the medical marijuana dispensary system to the chapter pertaining to general and administrative provisions of the Department of Health;
- (2) Inserting a provision that limits each location used by a qualifying patient to cultivate marijuana to use by five qualifying patients;
- (3) Making the authority of primary caregivers to cultivate marijuana for qualifying patients terminate on December 31, 2020, rather than December 31, 2019;
- (4) Inserting a provision that allows the Department of Health to determine whether existing dispensary licensees shall be allowed to increase plant count, the number of production centers, or the number of retail dispensing locations per license;
- (5) When the Department of Health's computer tracking system is nonfunctional, making use of the alternate medical marijuana dispensary tracking system optional instead of mandatory, requiring the Department of Health to seek input from medical marijuana licensees about the alternative tracking system, and requiring the Department to report to the legislative oversight working group twenty days prior to the convening of the Regular Session of 2018;
- (6) Deleting provisions requiring a qualifying patient to purchase marijuana or a manufactured marijuana product from one designated dispensary during a period in which the Department of Health's computer software tracking system is inoperable;
- (7) Inserting a provision that requires the Department of Health to include in its established testing standards permission for qualifying patients and primary caregivers to obtain testing services directly from certified laboratories on the island where the qualifying patient and primary caregiver reside;
- (8) Shortening the Department of Health's interim rulemaking authority until July 1, 2019, instead of July 1, 2020;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1159, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 494 (Joint) Hawaiian Affairs and Government Operations on S.B. No. 643

The purpose and intent of this measure is to:

- (1) Require that, beginning on January 1, 2020, all public acts and transactions be in the Hawaiian language; and
- (2) Provide that upon any request by a member of the public for a Hawaiian language version of any government record, paper, or document, the public officer having care and custody of the record, paper, or document shall make all reasonable efforts to make that government record, paper, or document available in the Hawaiian language.

Your Committees received testimony in support of this measure from numerous individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that Article XV, section 4, of the Hawaii State Constitution establishes that English and Hawaiian are the official languages of Hawai'i. The Legislature has supported past efforts to incorporate the Hawaiian language into official state writings, emblems, and signs, as the use of proper Hawaiian macrons and glottal stops shows not only the deserved respect for the native language of these islands, but also fully comports with the intent and purpose of the state constitution.

In addition, article X, section 4, of the Hawai'i state constitution provides in pertinent part, "The State shall promote the study of Hawaiian culture, history and language." Despite these constitutional provisions, the Hawaiian language is conspicuously absent in official government publications and documents.

Your Committees have amended this measure by deleting its contents and replacing them with provisions to require, beginning January 1, 2018, that all newly created, replaced, or reprinted state and county documents, letterheads, symbols, and emblems contain accurate, appropriate, and authentic Hawaiian names and language.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 643, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 643, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Hawaiian Affairs: Ayes, 4. Noes, none. Excused, 1 (Green).
Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

SCRep. 495 Housing on S.B. No. 589

The purpose and intent of this measure is to define specific rights granted to a person who is houseless including equal access to housing, jobs, and shelters; equal treatment by government agencies; and access to life-sustaining activities and essential services.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, IMUAlliance, The CHOW Project, and eight individuals. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness, Department of Human Services, and Department of the Attorney General.

Your Committee finds that the population of houseless persons in Hawaii rose by twenty-five percent between 2009 and 2016 and that houseless persons frequently experience significant hardship due to a lack of services and access to shelter. Your Committee additionally finds that this measure will establish specific rights for houseless persons to ensure equal treatment by government agencies and access to life-sustaining activities and essential services. Your Committee also finds that significant concerns have been raised in testimony on this measure regarding compatibility with existing law and with essential functions of the State.

Accordingly, your Committee has amended this measure by:

- (1) Removing language providing the right to sleep in legally parked automobiles;
- (2) Removing language providing that access to public hygiene facilities and accommodations must be on a twenty-four hour basis, or anywhere within the State;
- (3) Adding language clarifying that the right of access to services essential to survival does not limit law enforcement activities and efforts to promote health, safety, and welfare; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 589, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 589, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 496 Housing on S.B. No. 1105

The purpose and intent of this measure is to:

- (1) Expand the types of rental housing projects that can be exempt from general excise taxes; and
- (2) Allow the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Pacific Resource Partnership, Hawaii Construction Alliance, Hawaii Rental Housing Advisory Committee, and one individual. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii. Your Committee received comments on this measure from the Department of Taxation, Department of Labor and Industrial Relations, Hawaii Community Development Authority, and Tax Foundation of Hawaii.

Your Committee finds that the State is experiencing a critical shortage of affordable housing. Your Committee further finds that groups of private sector entities related to construction and development have taken steps to improve the economics of building and operating rental housing in Hawaii. This measure will support the work of private development entities to provide affordable housing units by expanding the types of projects that may be exempt from general excise taxes.

Your Committee has heard the testimony of the General Contractors Association of Hawaii expressing concerns that the tax credit provided in this measure appears to apply only to signatories to collective bargaining agreements. Your Committee finds that this issue raises concerns that merit further consideration and requests that your Committees on Judiciary and Labor and Ways and Means further examine those concerns.

Your Committee has amended this measure by:

- (1) Adding language clarifying the level of the prevailing wage if a collective bargaining agreement does not include provisions on wages;
- (2) Adding language providing that the tax credit established by the measure shall apply to taxable years beginning after December 31, 2017;
- (3) Inserting a blank sunset date; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1105, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1105, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 497 Housing on S.B. No. 1145

The purpose and intent of this measure is to:

- (1) Increase the rates for certain conveyance tax categories; and
- (2) Repeal the statutory cap on the disposition of conveyance taxes dedicated for deposit into the rental housing revolving fund.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Habitat for Humanity Association, Housing Now Coalition, IMUAlliance, Hawaii Appleseed Center for Law and Economic Justice, Faith Action for Community Equity, and seven individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association of REALTORS and Chamber of Commerce Hawaii. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, Tax Foundation of Hawaii, and Building Industry Association of Hawaii.

Your Committee finds that the development and construction of affordable housing units is an urgent priority of the State. Your Committee further finds that the rental housing revolving fund, which was established to provide low-interest loans or grants to qualified owners and developers constructing affordable housing units, can help to fulfill the need for affordable housing. This measure will increase the amount of available monies in the rental housing revolving fund by increasing the rates for certain conveyance tax categories and increasing the amount of conveyance tax that is paid into the revolving fund.

Your Committee has amended this measure by:

- (1) Further increasing the conveyance tax rate for the sale of condominiums or single family residences for which the purchaser is ineligible for a homeowner's exemption with a value of \$1,000,000 or more;
- (2) Removing language increasing the conveyance tax rate for the sale of condominiums or single family residences for which the purchaser is ineligible for a homeowner's exemption with a value of less than \$1,000,000; and
- (3) Increasing the portion of conveyance tax to be paid into the rental housing revolving fund to sixty percent.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1145, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1145, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 498 (Joint) Housing and Government Operations on S.B. No. 1244

The purpose and intent of this measure is to authorize qualified nonprofit housing trusts to repurchase affordable units developed with government assistance when a government entity waives its first right of refusal to repurchase the unit.

Your Committees received testimony in support of this measure from the Hawaii HomeOwnership Center; Hawaii HomeOwnership Center on behalf of more than fifty-five residents; Hawaii Association of REALTORS; Gentry Homes, LTD; Honolulu Board of REALTORS; and two individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Hawaii Housing Finance and Development Corporation, and Hawaii Community Development Authority.

Your Committees find that the shortage of safe, decent, and sanitary housing has been a persistent problem in Hawaii for decades. Your Committees further find that the median price for single family homes on Oahu has risen to approximately \$750,000. Your Committees additionally find that it is necessary to take steps to ensure that existing affordable housing is preserved as affordable for as long as possible. Your Committees also find that this measure has generated a significant amount of testimony by state agencies and other bodies deeply involved in the development and management of affordable residential units in Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Adding language requiring perpetual buyback restrictions by qualified nonprofit housing trusts;
- (2) Clarifying the definition of "qualified nonprofit housing trust" and allowing HCDA, each county, and the Hawaii Housing and Finance Development Corporation (HHFDC) to make their own determinations of whether a qualified nonprofit housing trust has the capacity, resources, and mission to ensure long-term affordability of housing;
- (3) Adding language including the Hawaii Housing Finance and Development Corporation's share of net appreciation in the real property for the purposes of calculating the maximum price of the Corporation's first option to purchase;
- (4) Adding language clarifying that the Hawaii Housing Finance and Development Corporation may select the nonprofit housing trust which shall have the option to purchase an affordable housing unit if the Corporation waives its first option to repurchase;
- (5) Adding language clarifying that the Hawaii Community Development Authority may adopt rules to specify the cutoff income levels for low- and moderate-income ranges for the purpose of determining workforce housing; 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 Housing and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1244, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1244, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

Government Operations: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 499 Housing on S.B. No. 1169

The purpose and intent of this measure is to:

- (1) Specify that certain provisions of the Internal Revenue Code related to at-risk rules and deductions and to passive activity loss do not apply with respect to claims for the state low-income housing tax credit; and
- (2) Appropriate funds to establish one position in the Hawaii Housing Finance and Development Corporation to oversee the low-income housing tax credit program.

Your Committee received testimony in support of this measure from InState Partners and two individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that increasing access to affordable housing in Hawaii is a priority for the State. Your Committee further finds that current limitations on low-income housing tax credits exclude many individuals and small businesses from participation. This measure will encourage investment in affordable housing development projects by expanding the pool of investors that may qualify for low-income housing tax credits.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1169 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Nishihara).

SCRep. 500 (Joint/Majority) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1183

The purpose and intent of this measure is to:

- (1) Authorize counties that have established a surcharge on state tax prior to July 1, 2015, to extend the surcharge in perpetuity;
- (2) Authorize counties that have not established a surcharge on state tax by July 1, 2017, to establish a surcharge;
- (3) Provide that the State shall retain an unspecified percent of surcharge proceeds, of which an unspecified percent shall be allocated to the Department of Transportation; and
- (4) Require a county's share of the county surcharge on state tax to be paid to the county on a monthly basis.

Your Committees received testimony in support of this measure from the City and County of Honolulu, Permitted Interaction Group of the Honolulu City Council, Hawaii State AFL-CIO, Chamber of Commerce Hawaii, Building Industry Association of Hawaii, West Oahu Economic Development Association, James Campbell Company LLC, Pacific Resource Partnership, Land Use Research Foundation of Hawaii, Blue Planet Foundation, and five 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, Department of Budget and Finance, Honolulu Authority for Rapid Transportation, Move Oahu Forward, and Tax Foundation of Hawaii.

Subsequent to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which amended the contents of the measure, inserted new language, and organized the measure into five distinct parts as follows:

- (1) Part I:
 - (A) Authorizes counties that have established a surcharge on state tax prior to July 1, 2015, to extend the surcharge in perpetuity;
 - (B) Authorizes counties that have not established a surcharge by July 1, 2017, to establish a surcharge on state tax;
 - (C) Provides that the State shall retain an unspecified portion of surcharge proceeds for the Department of Taxation; and
 - (D) Requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis;
- (2) Part II:
 - (A) Establishes an income tax credit that reduces the tax liability for low-income taxpayers if their federal adjusted gross income falls below federal poverty guidelines;
 - (B) Authorizes all counties to establish a 0.5 percent surcharge on state tax prior to July 1, 2018;
 - (C) Makes permanent the county surcharge on state tax;
 - (D) Provides that the State shall retain an unspecified portion of surcharge proceeds for deposit into the state highway fund;
 - (E) Requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis; and
 - (F) Specifies how the county surcharges collected shall be allocated among the counties;
- (3) Part III:
 - (A) Authorizes counties that have established a surcharge on state tax prior to July 1, 2015, to extend the surcharge to December 31, 2032; provided that the Hawaii Community Development Authority transfers specified parcels to the City and County of Honolulu and the City and County of Honolulu meets other requirements prior to December 31, 2027;

- (B) Repeals parts I and III of the measure on January 1, 2028, if the requirements are not met;
 - (C) Authorizes counties that have not established a surcharge on state tax by July 1, 2017, to establish a surcharge; and
 - (D) Provides that an unspecified percentage of the surcharge shall be used by the Department of Transportation for transit oriented development and infrastructure improvement;
- (4) Part IV:
- (A) Increases the general excise and use tax from four percent to four and one-half percent;
 - (B) Specifies that for an unspecified time period, beginning on January 1, 2019, an unspecified amount of the additional revenues shall be transferred to any county that adopted a surcharge on state tax; provided that such county matches up to half of the transferred funds;
 - (C) Limits the expenditures allowed by a county receiving additional tax revenue to capital costs for a mass transit project and compliance with the Americans with Disabilities Act;
 - (D) Requires any county who receives additional tax revenue to report to the Legislature annually on revenues and expenditures;
 - (E) Specifies that an unspecified amount of the additional revenues shall be used by the State for education, the Department of Transportation, affordable housing, and elderly programs and services; and
 - (F) Repeals the county surcharge on state tax on January 1, 2019; and
- (5) Part V:
- (A) Inserts an effective date of July 1, 2050, to encourage further discussion; and
 - (B) Inserts various provisions related to effective dates, repeal conditions, and tax provisions for various sections in the measure.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Transportation; Honolulu Authority for Rapid Transportation; Hawaii State AFL-CIO; Chamber of Commerce Hawaii; United Public Workers, AFSCME, Local 646, ALF-CIO; ILWU Local 142; Pacific Resource Partnership; Hawaii Regional Council of Carpenters; Hawaii Laborers-Employers Cooperation and Education Trust; Hawaii Operating Engineers Industry Stabilization Fund; Building Industry Association of Hawaii; and five individuals. Your Committees received testimony in opposition of the proposed S.D. 1 from Common Cause Hawaii, Kanehili Cultural Hui, BOHICA, and nine individuals. Your Committees received comments on the proposed S.D. 1 from the Department of Budget and Finance, Department of Taxation, City and County of Honolulu, Permitted Interaction Group of the Honolulu City Council, Tax Foundation of Hawaii, Move Oahu Forward, Blue Planet Foundation, and one individual.

Your Committees find that the City and County of Honolulu needs to have sufficient funds to cover construction and financing costs of the rail project and to ensure that the full twenty-mile guideway with all twenty-one rail stations can be built. According to testimony, the Honolulu Authority for Rapid Transportation estimates that the total construction costs are \$8,200,000,000, exclusive of the financing costs. Your Committees further find that a rail transit system supports public investments in transit infrastructure projects that enable compact development, utilize renewable energy, reduce transportation energy use, and reduce household transportation costs.

Your Committees have amended this measure by adopting the proposed S.D. 1. Your Committees believe that this measure is a work in process and a lot of thought and discussion still needs to be done. Your Committees recognize that the different parts of the proposed S.D. 1 contain conflicting language. However, it is your Committees' intent to move all parts of this measure forward for consideration by your Committee on Ways and Means. By including all of these parts in this measure, it will allow the Senate to continue to vet each available option.

Your Committees would like to clarify that the defective effective date of July 1, 2050, applies to this measure in its entirety with the intent that it encourages further discussion to bring about a consensus agreement on this measure. While part V of this measure contains other dates and provisos, such language is meant only to reference taxable years and the effect of state agency and county deadlines, as those dates apply to specific parts and sections of this measure. Those dates and provisos should not be confused with the overall effective date of this measure, which is a defective effective date of July 1, 2050. As noted above, your Committees understand that the various parts of this measure conflict and it is for that very reason that it has inserted a defective effective date applicable to this measure in its entirety until such time as consensus can be reached on the best option to move forward on the important issues raised by this measure.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy 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. 1183, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1183, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 5; Ayes with Reservations (Harimoto). Noes, none. Excused, none.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4; Ayes with Reservations (Ihara, Wakai). Noes, 1 (Thielen). Excused, none.

SCRep. 501 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on S.B. No. 1076

The purpose and intent of this measure is to:

- (1) Require all healthcare facilities, when transferring a patient to another healthcare facility via air ambulance for receiving continuing or higher level care, to first request transport services from an air ambulance that is contracted with the patient's health carrier;
- (2) Require notification if a non-contracted air ambulance service is utilized;
- (3) Establish exceptions to ensure patient safety; and
- (4) Establish a procedure for dispute resolution.

Your Committees received testimony in support of this measure from Kaiser Permanente and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health, Kona Community Hospital, and Hawaii Life Flight Corporation. Your Committees received comments on this measure from the Hawaii Medical Association, Hawai'i Pacific Health, Healthcare Association of Hawaii, Hawaii College of Emergency Physicians, The Queen's Health Systems, Castle Medical Center, and Hawaii Medical Service Association.

Your Committees find that healthcare needs sometimes require that a patient be transferred to another healthcare facility in order to receive continuing care or a higher level of care, and that because of Hawaii's unique geography, transfer to another facility in Hawaii often requires air ambulance services. Your Committees find that these air ambulance transfers require specialized equipment and technology and can be very costly.

Your Committees further find that when a patient is transported using an air ambulance service that does not contract with the covered patient's health insurance carrier, the health carrier determines an appropriate payment for the air ambulance provider, and the patient is expected to cover the difference between what the provider charged and what the health carrier pays. This process places the patient between the health carrier and the non-contracted air ambulance service when the non-contracted air ambulance service bills the patient for the difference. Your Committees find that this balance billing practice causes a significant financial burden on patients.

Your Committees recognize the complexity involved with the issue of balance billing, and appreciate the demonstrated collaboration on this issue by stakeholders in the community.

Your Committees have considered the testimony submitted and amended this measure by:

- (1) Inserting the new chapter related to transfers utilizing air ambulance services providers into Title 24, Hawaii Revised Statutes, related to insurance, instead of creating a new part within chapter 321, Hawaii Revised Statutes;
- (2) Deleting the definition of "notification";
- (3) Deleting the requirement that notice provided to the health carrier by the transferring facility of use of a non-contracted air ambulance service be prior to commencing the transfer;
- (4) Deleting provisions related to the dispute resolution process; 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, Consumer Protection, and 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. 1076, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1076, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 502 (Joint) Higher Education and Agriculture and Environment on S.B. No. 140

The purpose and intent of this measure is to preserve dark night skies in Hawaii by establishing a Dark Night Skies Protection Advisory Committee.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; University of Hawai'i System; Office of Hawaiian Affairs; and four individuals. Your Committees received comments on this measure from the Department of Transportation.

Your Committees find that dark night skies hold important cultural, scientific, astronomical, natural, landscape, and tourism-related value. Your Committees further find that light pollution, caused by inappropriate use of lighting at night, including over-illumination, excessive use of artificial light, use of fixtures that directs light upward causing glare and sky glow, and use of fixtures that have excessive amounts of blue light, which is scattered by the atmosphere to cause sky glow, interferes with dark night sky activities and the nighttime activities of certain animal and insect species. Your Committees also find that nighttime illumination of state highways, harbors, airports, and other facilities is costly and consumes large amounts of energy, and that application of new lighting technologies could produce substantial energy and cost savings. This measure is an important step toward better protection of Hawaii's dark night skies.

Your Committees have amended this measure by:

- (1) Inserting language to allow a designee of the Administrator of the Office of Hawaiian Affairs to serve on the Advisory Committee in place of the Administrator;
- (2) Inserting language to include a member from the Occupational Safety and Health Administration in the list of interested parties that the Chairperson of the Advisory Committee may invite to advise the Advisory Committee; 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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 140, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 140, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 503 (Joint) Higher Education and Economic Development, Tourism, and Technology on S.B. No. 137

The purpose and intent of this measure is to provide express statutory authority to enable and facilitate the deployment of university educational and instructional resources, university managerial and fiscal resources, and university personnel to promote the economic health and diversification of workforce opportunities through the commercialization of inventions and discoveries generated by or at the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawai'i System; Department of Business, Economic Development, and Tourism; Hawaii Business Roundtable; XLR8UH; Sultan Ventures; and one individual. Your Committees received testimony in opposition to this measure from Common Cause Hawaii and one individual. Your Committees received comments on this measure from the Department of Budget and Finance, State Procurement Office, Office of Information Practices, Hawaii State Ethics Commission, Civil Beat Law Center for the Public Interest, and Hawaii Chapter of the Society of Professional Journalists.

Your Committees find that the Legislature has a history of authorizing and providing funds to support efforts by state agencies to promote entrepreneurial development, support research commercialization, and provide access to startup investment capital. Commercialization contributes to a more diverse workforce in the State and promotes a robust and dynamic economy.

Your Committees additionally find that the University of Hawaii is a research and teaching institution and is in a valuable position to be able to identify promising innovations and new discoveries arising from university research. In order to remain competitive with its peers, the University of Hawaii must develop its capacity to commercialize its intellectual property. Your Committees find that this measure will allow the University to undertake commercialization activity with greater legal certainty and clarity.

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 Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 137, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 137, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 504 (Joint) Higher Education and Hawaiian Affairs on S.B. No. 848

The purpose and intent of this measure is to create the Hawaiian Language University College and transfer the University of Hawaii at Hilo Hawaiian Language College's rights, duties, powers, and functions to the Hawaiian Language University College while maintaining some shared functions between the two entities.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which deletes the contents of the measure and inserts language to:

- (1) Expand the University of Hawaii at Hilo Hawaiian Language College's functions;
- (2) Establish a five-year pilot project in pursuit of innovative strategies and approaches for development of a Hawaiian medium pathway; and
- (3) Require the development of an implementation plan to expand Hawaiian language instruction throughout the University of Hawaii System as recommended by the working group created by S.R. No. 97, S.D. 1, Regular Session 2015.

Your Committees received testimony in support of the proposed S.D. 1 from the Ka Haka 'Ula O Ke'elikōlani College of Hawaiian Language; Hale Kuamo'o Hawaiian Language Center; Native Hawaiian Education Council; Public Charter School Board of Ke Kula 'O Nāwahīokalani-'ōpu'u; Kanu o ka 'Āina New Century Public Charter School; Ho'omana Pono, LLC.; Keaukaha General Store; We Are One, Inc; Hawai'i Bilingual; Department of Language and Literacy Education at the University of British Columbia, Vancouver, Canada; Guam Department of Education; over one hundred individuals; petitions from numerous schools with signatures of support from teachers at the schools; and a petition with signatures from over eighty students of Ka Haka 'Ula O Ke'elikōlani College of Hawaiian Language. Your Committees received testimony in opposition to the proposed S.D. 1 from the University of Hawai'i System, Hawai'inuiākea School of Hawaiian Knowledge, University of Hawai'i at Mānoa; Center for Hawaiian Sovereignty Studies; and four individuals.

Your Committees find that a history of legislative action exists demonstrating the importance of assuring that opportunities are available throughout the State to use and study the Hawaiian language. Over the past three decades, the Legislature has formed the basis of the Hawaiian language medium pathway parallel to the long standing English medium pathway of preschool through doctoral level education. Your Committees note that as the only state to have two official languages operationalized in public education under a

single state education system, Hawaii is in a prime position to develop a strong Hawaiian medium pathway across its state educational system.

Your Committees further find that the Hawaiian Language College was established at the University of Hawaii at Hilo has made many strides forward to revitalize the Hawaiian language, provide immersion instruction in Hawaiian at the Pre K-12 level, and develop curricula and instructors of the Hawaiian language at all levels of education. Currently, there are over three thousand students enrolled in Hawaiian medium immersion schools at the P-12 level, and an estimated 13,500 students enrolled in various Hawaiian language coursework in public and private education.

Your Committees appreciate the numerous individuals and groups that submitted testimony on this measure, including many students, parents, teachers, faculty, and community members. Your Committees find that it is crucial for children throughout the State to have the opportunity to pursue higher education through the Hawaiian language, especially for those students who learn through the Hawaiian language during their primary education years. Your Committees also heard testimony on this measure from various departments and individuals from the University of Hawaii System and acknowledges the need for resources and collaboration in order to fully implement Hawaiian language instruction system-wide with general education courses taught through the Hawaiian language.

Your Committees recognize that 2017 represents the twentieth anniversary of the passage of legislation establishing the Hawaiian Language College, and that it is important to continue supporting expanded innovative approaches to develop a highly-functioning Hawaiian medium pathway of education in the State. Your Committees find that although data shows some healthy signs of language recovery, there remains much to be done in order to provide an equitable quality education for Hawaiian medium students across Hawaii's education system. Your Committees heard testimony on this measure from the Chancellor of the University of Hawaii at Hilo who indicated that the pursuit of higher education through the medium of the Hawaiian language at Hawaii's state university, and the current lack thereof, is a matter of statewide concern.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by:

- (1) Adding language to the purpose section declaring that access to education taught through the Hawaiian language is a matter of statewide concern;
- (2) Deleting language limiting the pilot project to five years;
- (3) Making the establishment of the pilot project optional instead of mandatory;
- (4) Expanding the pilot project to the entire University of Hawaii System instead of having the pilot project be implemented solely at the University of Hawaii at Hilo;
- (5) Inserting language to establish that the Chancellor of the University of Hawaii at Manoa, Chancellor of the University of Hawaii West Oahu, and Chancellors of the University of Hawaii System Community Colleges may assist the President of the University of Hawaii and Chancellor of the University of Hawaii at Hilo with the pilot project;
- (6) Inserting language that requires the directors of all of the University of Hawaii System Hawaiian language programs to join with the President of the University of Hawaii and the working group created by S.R. No. 97, S.D. 1, Regular Session 2015, to develop an implementation plan to address the system wide Hawaiian language goals;
- (7) Inserting a provision requiring the University of Hawaii to report to the Legislature each year regarding efforts to implement education taught through the Hawaiian language, the status of the implementation plan for Hawaiian language instruction, the number of students pursuing educational options available through the Hawaiian language, and any recommendations for statewide efforts to promote education taught through the Hawaiian language;
- (8) Deleting the appropriations;
- (9) Making it effective upon approval; 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 Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 848, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 848, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (Green, Kim).

SCRep. 505 Higher Education on S.B. No. 826

The purpose and intent of this measure is to appropriate funds for a distance learning center in the Puna district within the University of Hawaii at Hilo to provide greater access to secondary education in the Puna district.

Your Committee received testimony in support of this measure from the University of Hawai'i System; Pele Lani Farm LLC; We Are One, Inc.; Pele Lani Agricultural and Holistic Center; and seven individuals.

Your Committee finds that a critical need exists to strengthen rural outreach, education, and economic development in Puna, one of the most underserved areas in the State and the fastest growing district on the Island of Hawaii. Your Committee further finds that distance learning opportunities through the University of Hawaii System are currently providing valuable benefits to students throughout Hawaii, and distance learning has the potential to provide immeasurable benefits to residents in Puna.

Your Committee has amended this measure by:

- (1) Inserting blank appropriation amounts; and
- (2) Inserting an effective date of May 12, 2059, 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. 826, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 826, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 506 Higher Education on S.B. No. 348

The purpose and intent of this measure is to:

- (1) Establish a public service loan forgiveness program and revolving fund in the University of Hawaii; and
- (2) Establish eligibility and repayment requirements for individuals who complete an associate, bachelor, or graduate degree program within the University of Hawaii System and agree to work full-time for the State or a county for a specified number of years as determined by the University.

Your Committee received testimony in support of this measure from five individuals. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that students pursuing higher education are interested in pursuing jobs in the public sector upon graduation. However, rapidly rising tuition costs and Hawaii's high cost of living make it difficult for many students in Hawaii to endure the lower compensation provided by jobs in government compared to higher compensation in the private sector. Your Committee further finds that a public service loan forgiveness program would provide financial support to students completing their associates, bachelors, or graduate degrees at the University of Hawaii and encourage more graduates to remain in the islands and work in the public sector.

Your Committee has amended this measure by:

- (1) Removing all references to working for a county so that the Hawaii public service loan forgiveness program only applies to students who work for the State for a specified number of years upon graduating from a degree program within the University of Hawaii System;
- (2) Inserting a blank appropriation for the Hawaii public service loan program within the University of Hawaii System for one full-time equivalent (1.0 FTE) program specialist position;
- (3) Inserting language to require that any balances remaining in the Hawaii public service loan program revolving fund at the conclusion of the fiscal year be available for the program in future years and shall not lapse to the general fund;
- (4) Inserting an effective date of May 12, 2059, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 348, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 507 Higher Education on S.B. No. 940

The purpose and intent of this measure is to help Hawaii families save for college instead of having to take out educational loans by establishing a tax deduction for eligible contributions made to Hawaii's Section 529 College Savings Program that will apply to contributions made in calendar year 2018 and beyond.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and two individuals. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that as higher education costs continue to rise, saving for higher education is increasingly becoming a burden on families that are trying to juggle saving for higher education with daily living expenses. Your Committee additionally finds that it is important to help Hawaii families save for college instead of having to take out educational loans.

Your Committee notes that currently forty-eight states have at least one state-sponsored 529 plan and over eighty percent of those states that also have income taxes provide an additional in-state tax incentive. This measure follows efforts nationwide to help families avoid burdensome educational debt by creating an incentive for Hawaii taxpayers to participate in Hawaii's College Savings Program.

Your Committee has amended this measure by:

- (1) Removing the tax deduction for eligible contributions made to Hawaii's Section 529 College Savings Program from section 235-7, Hawaii Revised Statutes, and inserting the language that establishes the tax deduction as a new section in chapter 235, Hawaii Revised Statutes;
- (2) Inserting an effective date of May 12, 2059, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 940, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 940, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 508 Higher Education on S.B. No. 945

The purpose and intent of this measure is to establish a framework for authorizing post-secondary degree-granting educational institutions that have applied for accreditation by an accrediting agency recognized by the United States Department of Education.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that students will benefit if the Department of Commerce and Consumer Affairs has the authority to oversee accreditation-seeking institutions and ensure the institutions are making satisfactory progress toward accreditation. Your Committee further finds that most states across the country issue some type of temporary authorization or approval to institutions that are in the process of applying for accreditation.

Your Committee has amended this measure by:

- (1) Inserting an effective date of May 12, 2059, 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 Higher Education 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 your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 509 Higher Education on S.B. No. 1127

The purpose and intent of this measure is to appropriate general funds for project-funded staff positions for capital improvement program projects.

Your Committee received testimony in support of this measure from the University of Hawai'i System and two individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the University of Hawaii System has a substantial deferred maintenance backlog that it is working toward eliminating while at the same time modernizing facilities to be safe, sustainable, and supportive of modern practices in teaching, learning, and research. Your Committee additionally finds that the University has a ten-year strategy plan to eliminate deferred maintenance and reach modernization goals, including reducing energy consumption and generating renewable energy on campus. Your Committee notes the testimony submitted by the University indicating that this measure not only financially saves the University and the State money in the short- and long- term, but also provides a more optimum model for performing construction management and inspection services, including better oversight of its construction projects.

Your Committee has amended this measure by:

- (1) Inserting an effective date of May 12, 2059, 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 Higher Education 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 Second Reading in the form attached hereto as S.B. No. 1127, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Taniguchi).

SCRep. 510 Judiciary and Labor on S.B. No. 107

The purpose and intent of this measure is to:

- (1) Increase the minimum wage to \$12.25 per hour in 2018 and \$15.00 per hour in 2019;
- (2) Repeal the tip credit; and
- (3) Require the Department of Labor and Industrial Relations to annually calculate the adjusted minimum wage rate to the nearest 5 cents using the Honolulu region consumer price index for urban wage earners and clerical workers (CPI-W) or successor index.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, American Association of University Women of Hawaii, American Association of University Women Windward, Americans for Democratic Action, Community Alliance on Prisons, Democratic Party of Hawai'i, Hawaii Appleseed Center for Law & Economic Justice, Hot Yoga Hilo, LGBT Caucus of the Democratic Party of Hawai'i, Jams World, Surf Line Hawaii LTD., Hawaii State Teachers Association, ILWU Local 142, Graduate Student Organization at the University of Hawai'i at Manoa, Hawaii State AFL-CIO, Hawaii

Alliance for Progressive Action, Hawaii Women's Coalition, IMUAlliance, and thirty-nine individuals. Your Committee received testimony in opposition to this measure from ABC Stores; Chamber of Commerce Hawaii; City Mill Company, Limited; The Hawaii Business League; Hawaii Food Industry Association; State House District 41, Hawaiian Republican Party; Hawai'i Restaurant Association; Highway Inn; Il Gelato Hawaii; Libertarian Party of Hawaii; Retail Merchants of Hawaii; Tiki's Grill & Bar; Hawaii Farm Bureau; Maui Chamber of Commerce; Maui County Farm Bureau; The Pacific Club; Aiea Bowl; Big Island Toyota; Eggs 'n Things; Johnson Brothers of Hawaii; Pint and Jigger; Kenjo Inc.; and four individuals. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Grassroot Institute of Hawaii, and one individual.

Your Committee finds that the minimum wage rate was adjusted in 2014, raising the minimum wage rate each year for the following four years to achieve a minimum wage rate of \$10.10 per hour beginning January 1, 2018. This measure proposes to extend the increased minimum wage rate schedule by increasing the rate to \$12.25 per hour beginning January 1, 2018, and increasing the rate to \$15.00 per hour beginning January 1, 2019, to further boost the State's economy, improve the quality of life for minimum wage workers, and increase the number of jobs available.

Your Committee also finds that Hawaii's relatively low wages are exacerbated by Hawaii's high cost of living and notes that Hawaii's minimum wage rate fails to regularly adjust with Hawaii's rising cost of living. Your Committee believes that annually adjusting the minimum hourly wage to the nearest 5 cents based on the CPI-W will more accurately reflect Hawaii's economic changes, provide a mechanism to keep up with the cost of inflation, provide employers with more predictable and gradual increases in the minimum wage rate over time, and avoid continual review by the Legislature.

Your Committee further finds that the tip credit has made Hawaii's service industry workers particularly vulnerable due to the varying levels of customer tips, which are intended to supplement hourly wages that are lower than the minimum wage rate. This measure proposes to repeal the tip credit to treat all workers equally; however, your Committee finds that it is more appropriate to consider an increase of the tip credit, rather than its elimination.

Your Committee has amended this measure by:

- (1) Changing the minimum wage increase schedule to increase the minimum wage to \$10.50 per hour in 2018, \$12 per hour in 2019, \$13.50 per hour in 2020, and \$15 per hour in 2021;
- (2) Reinstating the tip credit;
- (3) Increasing the tip credit to an unspecified amount beginning January 1, 2018;
- (4) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee acknowledges that it has not designated an amount by which to increase the tip credit and sees this as an opportunity to revisit and continue discussion regarding the tip credit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 511 Judiciary and Labor on S.B. No. 329

The purpose and intent of this measure is to appropriate funds for the Judiciary to purchase civil legal services for low- and moderate-income persons.

Your Committee received testimony in support of this measure from the Judiciary, Delivery of Legal Services to the Public Committee of the Hawaii State Bar Association, Legal Aid Society of Hawai'i, Volunteer Legal Services Hawai'i, and eight individuals.

Your Committee finds that civil legal services are critical because these services assist families in crisis in finding stability and hope. Pursuant to S.R. No. 6, S.D. 1 (Regular Session of 2015), the Hawai'i Access to Justice Commission convened a working group of state and community entities to determine and report which agency or organization should administer funding of civil legal services to low- and moderate income persons. This measure reflects the recommendations of the working group, and the appropriation will restore and support funding for civil legal services for low- and moderate income persons through contracts administered by the Judiciary.

Your Committee notes that the Judiciary budget measure, S.B. No. 469, Regular Session of 2017, currently proposes \$750,000 in funding for fiscal years 2017-2018 and 2018-2019 for civil legal services as part of program ID JUD601. Your Committee has clarified with Legal Aid Society of Hawaii that the amount requested by this measure is the aggregate total it considers necessary to fully fund these services, inclusive of the amount currently provided for in S.B. No. 469.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 512 Judiciary and Labor on S.B. No. 425

The purpose and intent of this measure is to require certain employers with fifty or more employees to provide paid sick leave to service workers.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Democratic Party of Hawai'i; Americans for Democratic Action; Hawaii State AFL-CIO; Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO; Hawaii Children's Action Network; Hawaii Women's Coalition; and ILWU Local 142. Your Committee received testimony in opposition to this measure from ABC Stores, Chamber of Commerce Hawaii, Hawaii Crop Improvement Association, Hawaii Food Industry Association, Maui Chamber of Commerce, Retail Merchants of Hawaii, Hawaii Lodging & Tourism Association, Society for Human Resource Management-Hawaii Chapter, National Federation of Independent Business, Gyotaku Japanese Restaurant, Highway Inn, Il Gelato Hawaii, Aiea Bowl, Tiki's Grill & Bar, and two individuals. Your Committee received comments on this measure from the Department of Labor and Industrial Relations.

Your Committee finds that service workers who do not receive sick leave benefits may work while sick to avoid disciplinary action by an employer or financial hardship, thereby exacerbating their illness or placing co-workers and the public at risk if the illness is contagious. Your Committee finds that it is in the interest of the health and safety of employees and the public that service workers be allotted sick time to promote recovery and mitigate the spread of illnesses.

Your Committee finds that this measure is an appropriate vehicle in which to include the intent of S.B. No. 516, Regular Session of 2017, which allows an employee to take family leave in addition to victim leave when the employee or employee's minor child is a victim of domestic or sexual violence, as Part II, taking into consideration the amendments proposed in the testimony of the Department of Labor and Industrial Relations on S.B. No. 516 to amend section 378-73, Hawaii Revised Statutes, rather than chapter 398, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting Part II, which provides that an employee need not exhaust family leave benefits under chapter 398, Hawaii Revised Statutes, prior to taking victim leave under chapter 378, Hawaii Revised Statutes;
- (2) Inserting an effective date of January 7, 2019, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that one of the main issues to consider as this measure moves forward is whether the victim leave benefits inserted as Part II of this measure are in addition to certain other leave benefits.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 425, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 513 Judiciary and Labor on S.B. No. 855

The purpose and intent of this measure is to:

- (1) Require an affidavit on an application for voter registration to be included as part of the application for driver's licenses and civil identification cards;
- (2) Prevent the processing of an application for a driver's license or civil identification card unless the voter affidavit is complete or declined; and
- (3) Provide that the submission of a voter registration application either to register to vote or update the voter's registration information constitutes a request for permanent absentee voter status unless the applicant specifically indicates the applicant does not wish to be a permanent absentee voter.

Your Committee received testimony in support of this measure from the Office of Elections; Office of Hawaiian Affairs; Office of the County Clerk, County of Kaua'i; Office of the County Clerk, County of Maui; Common Cause Hawaii; Americans for Democratic Action Hawaii; League of Women Voters of Hawaii; Kupuna Caucus of the Democratic Party of Hawaii; Ko'olaupoko Hawaiian Civic Club; and twenty-five individuals. Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that automatic voter registration, also known as "motor voter", provides eligible voters an opportunity to register to vote when applying for or renewing a driver's license unless the eligible voter affirmatively declines to be registered. Proponents believe that automatic voter registration assists in removing barriers to registration for eligible voters, which is the first step to voter participation. Voter registration through a routine and necessary transaction, such as driver's licensing or renewal, increases voter registration efficiency and effectiveness and voter turnout. Hawaii has one of the lowest voter registration rolls and participation rates in the country. This measure will assist in increasing voter registration by providing the option for individuals when applying for or renewing driver's licenses and state identification cards to register to vote.

Your Committee notes that S.B. No. 206, Regular Session of 2017, as amended, contains substantially similar language as this measure except for the language that requires submission of a voter registration application to constitute a request for permanent absentee voter status unless the applicant affirmatively declines permanent absentee voter status. Your Committee further notes the comments submitted by the Department of Transportation that all sections of this measure should take effect on January 1, 2018, to reflect the effective date of section 2 of Act 167, Session Laws of Hawaii 2016, and provide a uniform transition to the new application form. Finally, your Committee notes the concerns submitted by Common Cause Hawaii that individuals may inadvertently register to vote without fully understanding that the submission of a voter registration application automatically requests permanent absentee

voter status. Your Committee believes that all of these issues merit further discussion as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that requires an affidavit on an application for voter registration to be included as part of the application for driver's licenses and civil identification cards and prevents the processing of an application for a driver's license or civil identification card unless the voter affidavit is complete or declined;
- (2) Inserting an effective date of January 7, 2059, 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. 855, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 855, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 514 Judiciary and Labor on S.B. No. 872

The purpose and intent of this measure is to allow the State Ethics Commission to employ or retain its own attorneys.

Your Committee received testimony in support of this measure from the State Ethics Commission and Democratic Party of Hawai'i.

Your Committee finds that existing law prohibits any state agency from hiring attorneys, except for the agencies specified under section 28-8.3(a), Hawaii Revised Statutes. This measure adds the State Ethics Commission as one of those agencies that are exempt to allow the Commission to hire and retain attorneys other than deputy attorneys general for legal representation, counsel, or drafting services.

Your Committee has amended this measure by:

- (1) Deleting section 1 and renumbering the remaining sections accordingly; and
- (2) Inserting an effective date of January 7, 2059, 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 515 (Joint) Judiciary and Labor and Human Services on S.B. No. 891

The purpose and intent of this measure is to amend the income withholding requirements to impose a fine against any employer who:

- (1) Discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding; or
- (2) Fails to withhold support from income or pay the amounts to the Child Support Enforcement Agency.

Your Committees received testimony in support of this measure from the Department of the Attorney General.

Your Committees find that under federal law, each state is required to have in effect the imposition of a fine against any employer who discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding; or fails to withhold support from income or pay the amounts to a child support enforcement agency. This measure ensures compliance with federal law and maintains eligibility for federal welfare funding and federal funding of child support enforcement programs.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 891, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 891, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair and President on behalf of the Committees.

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 516 (Joint) Judiciary and Labor and Human Services on S.B. No. 897

The purpose and intent of this measure is to add the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to the list of agencies that are authorized to conduct criminal history record checks of employees, prospective employees, and contractors, if applicable, who have access to federal tax information.

Your Committees received testimony in support of this measure from the Department of the Attorney General, Department of Human Services, Department of Labor and Industrial Relations, and Department of Taxation.

Your Committees find that the Internal Revenue Service recently mandated that all agencies receiving federal tax information perform criminal history record checks, including a Federal Bureau of Investigation fingerprint search, of all employees, employee applicants, and contractors who have access to federal tax information. This measure allows the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to comply with federal requirements and continue to perform their core functions.

Your Committees have amended this measure by:

- (1) Deleting references to contractors in relation to criminal history records checks of persons who are employed or seeking employment with the Department of Human Services and Department of Labor and Industrial Relations to avoid conflict with federal laws that prohibit contractors from accessing federal tax information;
- (2) Amending the language regarding the termination or denial of employment as a result of a criminal history record check, notification requirements, and opportunity to respond to findings of the Departments of Taxation, Human Services, and Labor and Industrial Relations and Child Support Enforcement Agency for purposes of consistency;
- (3) Adding a conforming amendment to section 831-3.1, Hawaii Revised Statutes, to provide an exemption for any denials or termination of employment as an employee, employee applicant, or employee or agent of a contractor, if applicable, of the Departments of Taxation, Human Services, or Labor and Industrial Relations, or the Child Support Enforcement Agency;
- (4) Inserting an effective date of January 7, 2059, 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 897, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 897, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair and President on behalf of the Committees.

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 517 Judiciary and Labor on S.B. No. 1115

The purpose and intent of this measure is to establish and fund two full-time equivalent (2.00 FTE) enforcement specialist IV permanent positions in the Department of Labor and Industrial Relations, Disability Compensation Division (Division), to assist with the enforcement of Hawaii's workers' compensation, temporary disability insurance, and prepaid health care laws.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Human Resources, City and County of Honolulu; Chamber of Commerce Hawaii; Hawai'i Construction Alliance; Hawaii Insurers Council; and ILWU Local 142.

Your Committee finds that the Division's primary objectives include ensuring the efficient processing of claims; the timely provision of medical services and payment of benefits to injured workers; employer compliance with workers' compensation, temporary disability insurance, and prepaid health care insurance coverage requirements; and monitoring health plans to ensure employees are provided with the benefits that are required under the prepaid health care law. Your Committee further finds that the Division lost a number of employees between 2009 and 2012, including two enforcement specialist positions. Your Committee finds that reinstatement and funding of these two positions will increase the efficiency of the Division in investigating delinquent employers failing to secure and provide workers' compensation, temporary disability insurance, and prepaid health care.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1115 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 518 Judiciary and Labor on S.B. No. 116

The purpose and intent of this measure is to appropriate funds for two permanent full-time equivalent (2.00 FTE) positions in the Disability Compensation Division (Division) of the Department of Labor and Industrial Relations, including a hearings officer with appropriate medical and legal training and an office assistant.

Your Committee received testimony in support of this measure from the Department of Human Resources Development; Department of Labor and Industrial Relations; Department of Human Resources, City and County of Honolulu; Chamber of Commerce Hawaii; Hawaii Chapter of the American Physical Therapy Association; Hawaii Insurers Council; ILWU Local 142; and The Pacific Resource Partnership.

Your Committee finds that the Division has the fiduciary duty to administer the State's workers' compensation program. Your Committee also finds that additional positions within the Division will allow the Division to expedite operations and increase efficiency to the benefit of injured workers, employers, health providers, insurers, and the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 116 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 519 Economic Development, Tourism, and Technology on S.B. No. 760

The purpose and intent of this measure is to:

- (1) Support the implementation of wireless technology, such as small wireless facilities, to support broadband technology in the State;
- (2) Codify the exemptions to permitting requirements established in Act 151, Session Laws of Hawaii 2011, and codified within the Hawaii Revised Statutes and expand those exemptions to include broadband over wireless or mobile platforms, including small wireless facilities;
- (3) Establish a definition of wireless communications antennas that includes small wireless facilities; and
- (4) Repeal those sections of Act 151, Session Laws of Hawaii 2011, that have been codified within the Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning; AT&T; CTIA; Hawaiian Telcom; Mobilitie; and Verizon Communications. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Cable Television Division.

Your Committee finds that the implementation of wireless technology, such as small wireless facilities, will play a major role in continuing the benefits afforded by broadband infrastructure in Hawaii. Your Committee finds that Hawaii consumers and businesses consistently rely on the usage of wireless devices and that access to broadband has the potential to expand economic and innovative development in the State. Your Committee further finds that expediting the installation of small wireless facilities will help Hawaii maintain the broadband capacity needed to remain economically competitive.

Your Committee has amended this measure by:

- (1) Adding the term "wire line" to coincide with the term wireless;
- (2) Adding a definition of the term "wire line";
- (3) Deleting section 5, which will then allow for all definitions in section 440J-1, Hawaii Revised Statutes, to apply to the entire chapter 440J, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 760, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 520 (Joint) Economic Development, Tourism, and Technology and Government Operations on S.B. No. 1200

The purpose and intent of this measure is to appropriate funds to the Department of Accounting and General Services for the plans, design, construction, and equipment for a new Aloha Stadium.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Stadium Authority, Office of the Lieutenant Governor, and two individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the current Aloha Stadium is reaching the end of its life cycle and the community would benefit from the construction of a new Aloha Stadium. Your Committees note that the recommended appropriation for preparations to build a new Aloha Stadium, in particular to create a master plan and conduct an environmental impact statement, is \$11,000,000. Your Committees further note that the appropriation proposed by this measure has a purpose distinct from the \$10,000,000 allocated in the Governor's budget for fiscal year 2017-2018, which is for repair and maintenance, health, and safety related to the Aloha Stadium.

Your Committees note their concern regarding the lack of a planned timeline for the development and construction of the new Aloha Stadium. Your Committees further note their concerns regarding a lack of cost detail for each analysis and study necessary to prepare the environmental impact statement. Should your Committee on Ways and Means decide to hear this measure, your Committees request further examination of these provisions.

Your Committees have amended this measure by:

- (1) Changing the means of financing to the general revenues of the State of Hawaii; 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, Tourism, and Technology and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1200, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1200, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Thielen).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Tokuda).

SCRep. 521 Higher Education on S.B. No. 1161

The purpose and intent of this measure is to address rising tuition costs at the University of Hawaii by prohibiting the Board of Regents of the University from increasing tuition fees until 2027, and requiring the University to provide the Legislature with an analysis of whether current tuition increases are helping address the University's repair and maintenance backlog.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the University of Hawaii System, Associated Students of the University of Hawaii at Windward Community College, and Hawaii Educational Policy Center. Your Committee received comments on this measure from the University of Hawaii Student Caucus.

Your Committee finds that continually rising tuition rates are making higher education increasingly cost prohibitive. More specifically, your Committee finds that the tuition schedule established by the Board of Regents of the University of Hawaii has created an unreasonable increase in the cost of attendance at Hawaii's sole public university system. Your Committee further finds that tuition costs have been consistently and significantly on the rise, having risen over six hundred percent for resident and non-resident students since 1995. These onerous tuition costs place undue burden on students and their families, as your Committee heard during testimony by two current students at the University of Hawaii at Manoa.

Your Committee is equally concerned about the University of Hawaii's significant increase in spending in recent years for personnel expenses. Specifically, your Committee notes that the University's budget for systemwide administrative, management, and executive personnel was \$19,522,528 in 2005 and \$50,478,080 in 2015, an increase of 159 percent in 10 years during which time the University added 77 full-time employee positions while the State was experiencing an economic recession. Additionally, your Committee finds that demonstrated efforts to restructure and use financial resources efficiently are deficient by the University. Your Committee notes that there is redundancy in positions and a lack of accountability between the University system and individual university campuses, and finds that the increase of University personnel in recent years is not justified by the outcomes produced by the University.

Your Committee acknowledges the need for the University to remain competitive in areas such as faculty salaries in order for the University of Hawaii to remain a high quality and desirable institution of higher education. However, your Committee has concerns that the University continues to need increased revenues, often looking to students to fill this need, and the University does not have strong enough outcomes to justify its high costs of operation.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to require that, upon expiration of the current terms of the two at-large members of the Board of Regents of the University of Hawaii, two members of the Board must be faculty members, one of which must be faculty at one of the University of Hawaii's community colleges and the other of which must be faculty at the University of Hawaii at Manoa, University of Hawaii at Hilo, or University of Hawaii West Oahu; provided that the two faculty members may not be faculty at campuses in the same county;
- (2) Leaving unspecified, rather than until 2027, the time period during which the Board of Regents may not increase tuition fees;
- (3) Limiting the University of Hawaii System's general fund appropriation for operating expenses to support program ID UOH900 to no more than \$41,957,000 for five fiscal years beginning with fiscal year 2017-2018;
- (4) Requiring that all University of Hawaii employees who hold administrative positions and earn more than \$150,000 annually be employed under an employment contract with the University by July 1, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1161, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Keith-Agaran, Kidani).

SCRep. 522 Higher Education on S.B. No. 1162

The purpose and intent of this measure is to establish the Hawaii promise program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any University of Hawaii campus and to appropriate funds to establish and implement the program.

Your Committee received testimony in support of this measure from the University of Hawaii System; University of Hawaii Student Caucus; Graduate Student Organization at the University of Hawaii at Manoa; Associated Students of the University of Hawaii at Windward Community College; Hawaii Pacific Health; Americans for Democratic Action; KAI Hawaii, Inc.; and thirteen individuals.

Your Committee finds that Hawaii has a college completion rate goal of 55 by '25 with the hope of increasing the percentage of working-age adults with two- or four-year degrees to fifty-five percent by 2025. Your Committee further finds that the University of

Hawaii has a system wide, strategic graduation initiative with a goal of increasing the educational capital of the State by increasing participation in college by students, particularly Native Hawaiians, low-income students, and those from underserved regions and populations. An educated labor force and engaged citizenry are essential in today's global, knowledge-based economy.

Your Committee finds that as the cost of higher education continues to rise and become more burdensome for families, attendance and completion of college become especially difficult for students. According to a 2016 report by the Institute for Research on Higher Education at the University of Pennsylvania Graduate School of Education, Hawaii's financial aid policies did little to alleviate costs for families earning less than \$30,000 annually and the State provided minimal need-based aid to students attending public institutions. This measure attempts to address these issues by providing scholarships for the unmet needs of qualified students.

Your Committee has amended this measure by:

- (1) Inserting language to clarify that the Hawaii promise program applies to all University of Hawaii campuses, including the community colleges, and providing program requirements for students attending community colleges, including enrollment in six or more credits per semester;
- (2) Inserting language to require that students maintain a grade point average of 2.5 or higher to maintain a scholarship under the Hawaii promise program, and that students attending community college must earn a minimum of twelve credits in one academic year to maintain a scholarship under the program;
- (3) Inserting a provision that establishes the Hawaii promise program special fund to be used to provide financial assistance to qualified students through Hawaii promise program scholarships;
- (4) Inserting a provision that requires the University of Hawaii to report to the Legislature no later than twenty days prior to the convening of each regular session with information on the special fund, including the number of scholarships provided under the Hawaii promise program and recommendations on all tuition waivers;
- (5) Amending the appropriation provision to first appropriate the funds into the Hawaii promise program special fund; 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 Higher Education 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 Second Reading in the form attached hereto as S.B. No. 1162, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Kidani).

SCRep. 523 (Joint) Public Safety, Intergovernmental, and Military Affairs and Housing on S.B. No. 1307

The purpose and intent of this measure is to allow county councils to establish neighborhood revitalization boards for certain areas within the counties for the purposes of developing neighborhood revitalization plans, requesting funding for the plans, commenting on proposed policies and regulations impacting the board's neighborhood, and advocating for the board's neighborhood.

Your Committees received testimony in support of this measure from the Kaua'i Planning Department; Department of Planning and Permitting for the City and County of Honolulu; Ho'omana Pono, LLC; Hawaii Regional Council of Carpenters; Wahiawa Community Based Development Organization; and one individual. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that receiving input related to neighborhood development from the residents most affected by any such development is essential for targeting the actual needs of individual neighborhoods. Neighborhood revitalization boards for census-designated neighborhoods ripe for revitalization, consisting of members from the neighborhood itself, can provide invaluable insight for targeting revitalization efforts. Accordingly, this measure:

- (1) Allows county councils to establish neighborhood revitalization boards to be administered by the counties for the purpose of developing neighborhood revitalization plans, commenting on proposed policies and regulations, and advocating for census-designated areas in each county;
- (2) Allows neighborhood revitalization boards to request funding from the county councils, state legislature, and United States Congress; and
- (3) Requires the counties to provide at least twenty per cent matching funds for any neighborhood revitalization plan or project that receives state funds.

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 Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1307, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1307, S.D. 1, and be referred to your 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 (Baker).
Housing: Ayes, 3. Noes, none. Excused, 2 (Kahale, Keith-Agaran).

SCRep. 524 Public Safety, Intergovernmental, and Military Affairs on S.B. No. 1203

The purpose and intent of this measure is to establish the Technical Literacy for Incarcerated Individuals Pilot Program to be administered in one men's and one women's correctional facility in the State.

Your Committee received testimony in support of this measure from the Hawaii Paroling Authority, YWCA O'ahu, and one individual. Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that helping inmates transition back into everyday life is a vital component of successful rehabilitation. One way to assist inmates and parolees with their transition back into society is to provide them with training in job appropriate skills that will assist them in finding stable and profitable work upon their exit from the system. In the current economy, providing inmates and parolees with computer science and entrepreneurship skills is particularly beneficial for giving those individuals an opportunity to re-enter society as productive members. This measure seeks to address the important rehabilitative step of providing relevant education to inmates and parolees by establishing the Technical Literacy for Incarcerated Individuals Pilot Program at one men's and one women's correctional facility in the State to be administered by a third-party entity engaged in the business of developing curriculum for, administering, and providing support resources for technical literacy programs for individuals. This measure:

- (1) Establishes the pilot program to educate eligible inmates, as determined by the Department of Public Safety, on the fundamentals of computer science and programming through five hundred hours of instruction and self-study and provide additional course offerings for parolees that complete the initial five-hundred-hour program;
- (2) Requires the Department of Public Safety to consult with the administering third-party entity on guidelines for determining eligibility for the pilot program; and
- (3) Appropriates funds for the pilot program.

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. 1203 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 525 (Joint) Water and Land and Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 481

The purpose and intent of this measure is to provide grants-in-aid to the counties for the identifying and mapping of important agricultural lands.

Your Committees received testimony in support of this measure from the Land Use Commission; Office of Planning; Department of Planning and Permitting of the City and County of Honolulu; Alexander & Baldwin, Inc.; Ulupono Initiative; Hawai'i Association of REALTORS; Hawaii Farmers Union United; Sierra Club of Hawai'i; Hawai'i Farm Bureau; and Maui County Farm Bureau. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that Article XI, section 3, of the Hawaii State Constitution provides, among other things, protections for lands identified as important agricultural lands. In service of this duty, the Legislature enacted Act 183, Session Laws of Hawaii 2005, which was codified in part III of chapter 205, Hawaii Revised Statutes. Act 183 directed each county to identify and map potential important agricultural lands within the county and make recommendations to the Land Use Commission for their proper designation. However, most counties have not received state funds to assist them in fulfilling their duties under Act 183. Accordingly, this measure appropriates funds as grants-in-aid to the counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu to identify and map important agricultural lands.

Your Committees note that some counties have already begun fulfilling their duty to identify and map important agricultural lands despite the lack of state funding. Consequently, those counties who have initiated this process on their own should not be penalized and should be able to apply funds appropriated through this measure to any expenses previously incurred.

Accordingly, your Committees have amended this measure by adding language to allow the appropriated funds to apply to any expenses a county incurred in identifying and mapping important agricultural lands before the effective date of this measure, provided that the county has not previously received reimbursement for those expenses from the State.

As affirmed by the records of votes of the members of your Committees on Water and Land, Agriculture 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. 481, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 481, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 526 (Joint) Water and Land and Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 635

The purpose and intent of this measure is to appropriate funds to establish a two-year water conservation financial assistance pilot program to provide financial assistance to county-owned public water systems to implement water conservation incentive programs.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; County of Maui, Department of Water Supply; City and County of Honolulu, Board of Water Supply; Surfrider Foundation; Nature Conservancy

Hawai'i; Hawai'i Green Growth; Hawai'i Community Foundation; Wai Maoli, Hawai'i Fresh Water Initiative; Ulupono Initiative; Maui County Farm Bureau; U.S. Green Building Council, Hawai'i Chapter; Sierra Club of Hawai'i; One World One Water, LLC; and two individuals.

Your Committees find that as an island state, Hawaii has limited access to natural fresh water. Your Committees find that a water conservation program that provides financial assistance to county-owned public water systems and their customers to help implement water conservation measures and practices will reduce water use or waste. Your Committees further find that water conservation is one of the most cost-effective long-term water supply options for the State.

Your Committees have amended this measure by:

- (1) Establishing the two-year water conservation financial assistance pilot program within each of the four county water supply departments, rather than within the Commission on Water Resource Management, and making conforming amendments;
- (2) Requiring each of the four county water supply departments to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019, including information as to how funds were spent and the results of the investment;
- (3) Inserting an appropriation amount of \$500,000 per fiscal year for the two-year water conservation financial assistance pilot program; provided that the appropriation is disbursed to each of the four county water supply departments prorated by population and matched by the counties on a dollar-for-dollar basis; 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, Public Safety, Intergovernmental, and Military Affairs, and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 635, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 635, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Baker).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

SCRep. 527 Water and Land on S.B. No. 259

The purpose and intent of this measure is to require all fishing nets placed in state waters to have identification tags with the contact information of the fishing net's owner.

Your Committee received testimony in support of this measure from Conservation Council for Hawai'i, Animal Rights Hawai'i, West Hawaii Humane Society, Ho'okipa Network Kauai, and four individuals. Your Committee received testimony in opposition to this measure from Hawaii Goes Fishing and three individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that the Department of Land and Natural Resources currently lacks clear statutory authority to require all fishing nets to be registered and tagged. Your Committee also finds that the department via their experiences with lay nets are learning and developing the most effective and efficient identification tag requirements, and are in the best position to determine the specific information that shall be required on fishing net identification tags.

Your Committee has amended this measure by:

- (1) Clarifying that all fishing nets used in state marine waters are required to be registered and affixed with an identification tag as specified by the Department of Land and Natural Resources;
- (2) Removing the provision that any fishing net that does not have identification tags shall be subject to immediate seizure; 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. 259, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 259, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 528 (Joint) Water and Land and Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.B. No. 698

The purpose and intent of this measure is to:

- (1) Require an owner or occupier of certain agricultural lands to provide written notice to certain county agencies when subdividing and leasing the lands; and
- (2) Grant county and state agencies the implicit right to enter the property to investigate violations of and compliance with agricultural subdivision and lease qualifications.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Planning and Permitting, City and County of Honolulu; and Sierra Club of Hawai'i.

Your Committees find that the subdivision exemption under section 205-4.5, Hawaii Revised Statutes, coupled with the agricultural building permit exemption under section 46-88, Hawaii Revised Statutes, have resulted in enforcement challenges for county agencies,

as evidenced by the land use violations at Kunia Loa Ridge Farmlands. Your Committees further find that although the county planning department is charged with enforcement of the law, the county planning department lacks the implicit right to enter a structure that is exempt from building permit requirements and building codes. Additionally, unregulated parceling of large tracts of land has led to unidentifiable lots, furthering enforcement problems. Your Committees find that this measure utilizes various efforts to improve existing law and enforcement capabilities of state and county agencies to ensure that only allowed land uses and activities are occurring on agricultural lands in the State.

Your Committees have amended this measure by:

- (1) As recommended by the Department of Planning and Permitting, City and County of Honolulu:
 - (A) Requiring an owner or occupier to submit a subdivision or lease map to appropriate county and state agencies, along with the written notice required when subdividing and leasing certain agricultural lands;
 - (B) Including the county planning department and Department of Health as agencies required to be notified by the owner or occupier when subdividing and leasing certain agricultural lands;
 - (C) Adding the county planning department as an agency that has the authority to void the subdivision or lease due to an owner's or occupier's failure to provide notice; and
 - (D) Clarifying that the appropriate state and county agencies have the authority to issue citations and assess fines and liens for violations; and
- (2) Authorizing state and county agencies to have an explicit right to enter the property upon reasonable belief of a violation.

As affirmed by the records of votes of the members of your Committees on Water and Land, Agriculture 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. 698, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 698, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 529 (Joint) Economic Development, Tourism, and Technology and Water and Land on S.B. No. 1292

The purpose and intent of this measure is to establish the Hilo community economic district to facilitate efficient and effective improvement, and economic opportunity, in the area.

Your Committees received testimony in support of this measure from the East Hawaii Region of Hawaii Health Systems Corporation; University of Hawaii; County of Hawaii, Office of the Mayor; Hawaii County Council; Chamber of Commerce Hawaii; Hawaii Island Chamber of Commerce; Japanese Chamber of Commerce & Industry of Hawaii; ILWU Local 142; Hawaii Island Contractors' Association; Kanoiehua Industrial Area Association; HPM Building Supply; Mauna Kea Infrared, LLC; Kadota Liquor; Building Industry Association Hawaii; Hawaii Farm Bureau; McCully Works; Blue Ginger General Construction, Inc.; Hawaii Island REALTORS; and nine individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Hawaii Community Development Authority, Department of Land and Natural Resources, Department of Hawaiian Home Lands, and Office of Hawaiian Affairs.

Your Committees find that Hilo has the potential for increased growth that can improve workforce and affordable housing, parks and open space, public facilities, and commercial, industrial, and hotel facilities. Your Committees find that the Legislature created the Hawaii Community Development Authority to revitalize urban areas that were underused and declining economically. Your Committees further find that the establishment of the Hilo Community Economic District would help coordinate redevelopment and encourage new investment and infrastructure in the area.

Your Committees find that although the Hawaii Community Development Authority can provide valuable guidance in the short term to revitalize the Hilo Community Economic District, the redevelopment authority of this district should ultimately reside at the local, county level. Furthermore, your Committees intend to minimize changes to the Hawaii Community Development Authority's management of existing community development districts in the city and county of Honolulu. Your Committees believe that amendments to this measure are necessary to effectuate these goals.

Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of "district", under the new part establishing the Hilo Community Economic District, to exclude all lands owned or managed by the Department of Hawaiian Home Lands;
- (2) Removing the three additional Hilo Community Economic District voting members to the Authority, as appointed by the Governor, established under the new part creating the Hilo Community Economic District;
- (3) Creating two Hawaii Community Development Authorities distinguished by population between counties with a population of five hundred thousand or greater and counties with a population of less than five hundred thousand;
- (4) Substituting the term "Hawaii Community Development Authorities" wherever the term "Hawaii Community Development Authority" appears;
- (5) Providing a description of Authority membership for counties with a population of less than five hundred thousand;
- (6) Adding a definition of "community", as it relates to membership of the Authority for counties with a population less than five hundred thousand, to mean individuals who reside or work within a one-mile radius of the district boundary;

- (7) Adding a twenty-year sunset provision for the Act if either a redevelopment area or an improvement district have been established after twenty years;
- (8) Requiring the Hawaii Community Development Authority established pursuant to section 206E-3(c), Hawaii Revised Statutes, to engage in discussions with the County of Hawaii to determine the feasibility of the County of Hawaii:
 - (A) Assuming the redevelopment powers and duties over the lands within the Hilo Community Economic District as a redevelopment area pursuant to chapter 53, Hawaii Revised Statutes; or
 - (B) Establishing a special improvement district, pursuant to section 46-80.5, Hawaii Revised Statutes, that encompasses the lands within the Hilo community economic district;
- (9) Inserting a sunset date of the first to occur of the following:
 - (A) June 30, 2037;
 - (B) Inclusion of the lands within the Hilo Community Economic District within a redevelopment area pursuant to chapter 53, Hawaii Revised Statutes; or
 - (C) Establishment of a special improvement district that encompasses the lands within the Hilo community economic district; 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, Tourism, and Technology and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1292, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1292, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Baker, Thielen).

Water and Land: Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Inouye, Kim).

SCRep. 530 Water and Land on S.B. No. 1240

The purpose and intent of this measure is to place a moratorium on aquarium fish permits until:

- (1) The Department of Land and Natural Resources submits proposed legislation to the Legislature including a definition of “sustainable”, a policy for sustainable collection practices of near shore aquatic life, and limits on the total number of species and sustainable rates of collection; and
- (2) A definition of “sustainable” and a policy for sustainable collection practices of near shore aquatic life, including limits on the total number of species and sustainable rates of collection, are enacted.

Your Committee received testimony in support of this measure from the Humane Society of the United States; Environmental Caucus of the Democratic Party of Hawaii; Ocean Tourism Coalition; Animal Rights Hawaii; Wild Open Eye; Snorkel Bob’s; Endangered Habitats League; For the Sea Productions; Coral Triangle Conservancy, Inc; Fish Feel; We Are One, Inc; Green Divers Productions; Maui Island Mermaids, LLC; Bonefish Hawaii; and three hundred eighty-three individuals. Your Committee received testimony in opposition to this measure from the Association of Zoos and Aquariums; Pet Industry Joint Advisory Council; Coral Fish Hawaii; Wayne’s Ocean World, Inc; Pele Lani Farm, LLC; House of Tropicals; Hawaii Opae Ula; Coast Tropicals; Pet Depot; Tropical Fish Emporium, LLC; Cyanide Free For Me; and thirty-six individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources and twenty-five individuals.

Your Committee finds that ensuring the sustainability of aquatic life and the protection of coral reefs in Hawaii waters is vital to the long-term interests of the people of Hawaii; the economic and environmental benefits of protecting the marine environment cannot be overstated. Your Committee further finds that it is imperative for the long-term protection of marine resources to determine what is sustainable and to establish a policy for sustainable collection practices of near shore aquatic life. Your Committee notes that there is a lack of data regarding the numbers of various species of aquarium fish in the waters around Oahu and the effects of current collection practices.

Your Committee has amended this measure by:

- (1) Removing the moratorium on aquarium fish permits;
- (2) Requiring the Department of Land and Natural Resources to submit proposed legislation, including a definition of “sustainable”, a policy for sustainable collection practices of near shore aquatic life, and limits on collection, to the Legislature no later than twenty days prior to the 2019 Regular Session; 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. 1240, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 531 (Joint) Water and Land and Higher Education on S.B. No. 1178

The purpose and intent of this measure is to appropriate funds to maintain the initial staff necessary to develop and manage He'eia estuary.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Planning, University of Hawai'i System, University of Hawaii Sea Grant College Program, Nature Conservancy Hawaii, Ko'olaupoko Hawaiian Civic Club, Kahalu'u Neighborhood Board No. 29, Kaneohe Neighborhood Board Environment Committee, Ko'olau Foundation, and twenty-five individuals. Your Committees received comments on this measure from the Hawaii Community Development Authority and three individuals.

Your Committees find that the State has coordinated with the National Oceanic and Atmospheric Administration (NOAA) to nominate He'eia estuary as a National Estuarine Research Reserve. The site, located on Oahu's windward shore, includes He'eia state park, He'eia fishpond, and the He'eia community development district, as well as marine waters with patch and fringing reefs and Moku o Lo'e (Coconut Island). In 2012, the Office of Planning was designated as the lead agency to coordinate the site selection for a Hawai'i site and nomination process for the He'eia site to be designated as a National Estuarine Research Reserve. In 2014, He'eia was officially nominated as a Reserve to support NOAA's policy to encourage expansion of the program in unrepresented areas of the country.

On January 19, 2017, the He'eia site was officially designated as the twenty-ninth site in the National Estuarine Research Reserve System, which enables federal funding to support the implementation of the management plan.

The University of Hawaii, Hawaii Institute of Marine Biology, is the lead agency for implementation of the He'eia National Estuarine Research Reserve System management plan, with partners to include the Hawaii Community Development Authority, Department of Land and Natural Resources, and several community organizations. Your Committees further find that for the He'eia Reserve to succeed in its function within the System, funding for initial staffing is essential. According to federal regulations, the federal government matches state appropriations on a seventy percent (federal) to thirty percent (state) basis.

Your Committees have amended this measure by:

- (1) Updating the purpose section to reflect current information as provided by the Office of Planning;
- (2) Blanking out the appropriation amount and the allocation of those dollars;
- (3) Inserting an effective date of March 14, 2092, 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 Water and Land and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1178, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1178, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 532 Ways and Means on S.B. No. 724

The purpose and intent of this measure is to require the Department of Budget and Finance to issue annual reports on non-discretionary costs for the purpose of providing indicators of the budgetary situation of the State.

Specifically, this measure establishes reporting requirements concerning the following general fund costs:

- (1) Debt service for general obligation bonds;
- (2) Medicaid service costs; and
- (3) Employer contributions for pension, retirement, and health benefits for state employees and retirees.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that disclosure of non-discretionary costs and related ratios will assist the Legislature in monitoring future financial liabilities and in taking preventative, corrective actions before crises occur.

Your Committee will continue to work with the Department of Budget and Finance on this measure and related legislation to improve and enhance budgetary information that is required to be submitted 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 is in accord with the intent and purpose of S.B. No. 724 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Harimoto, Taniguchi).

SCRep. 533 Ways and Means on S.B. No. 941

The purpose and intent of this measure is to clarify that Automated Clearing House transactions that debit the State's bank account may be considered electronic funds transfers if authorized by the Director of Finance.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that specifically including Automated Clearing House transactions as electronic funds transfers for the purposes of debiting state treasury bank accounts in financial institutions will increase the efficiency of state agencies in making bank deposits.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 941 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Galuteria, Harimoto, Wakai).

SCRep. 534 Ways and Means on S.B. No. 284

The purpose and intent of this measure is to correct an error in the Supplemental Appropriations Act of 2016 by clarifying that the appropriation for a capital improvement project at Maalaea small boat harbor is for plans, design, and construction for pier improvements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Ocean Tourism Coalition, and one individual.

Your Committee finds that Act 119, Session Laws of Hawaii 2015, part IV, as amended by Act 124, Session Laws of Hawaii 2016, authorized an appropriation for the plans, design, and construction for dredging at Maalaea small boat harbor. Your Committee furthers finds that the appropriation was intended to be for the plans, design, and construction for pier improvements, rather than dredging. Amending the appropriation allows for the plans, design, and construction to take place as originally intended.

Your Committee has amended this measure by making a technical nonsubstantive change for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 284, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 284, 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, 4 (Galuteria, Harimoto, Taniguchi, Wakai).

SCRep. 535 Ways and Means on S.B. No. 939

The purpose and intent of this measure is to update and clarify sections of the Hawaii Revised Statutes relating to the investment and funds management functions of the Department of Budget and Finance.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that this measure repeals statutory language that authorizes the Director of Finance to invest state moneys in:

- (1) Student Loan Marketing Association notes and bonds because the Student Loan Marketing Association "Sallie Mae" is no longer a government-sponsored enterprise; and
- (2) Various student loan resource securities because the issuance of these types of securities has diminished and there no longer exists a liquid efficient market for these types of securities.

Your Committee also finds that this measure requires every public accountant collecting or receiving revenue or other moneys on behalf of the State, regardless of whether the accountant is located in Honolulu, to pay those moneys into the state treasury either weekly or at such times as may be otherwise specially appointed. Your Committee believes it is beneficial to the State to have all receipts deposited into the state treasury as soon as possible.

Your Committee has amended this measure by making technical nonsubstantive changes for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 939, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 939, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Harimoto, Taniguchi).

SCRep. 536 Ways and Means on S.B. No. 1002

The purpose and intent of this measure is to conform Hawaii's income and estate and generation-skipping transfer tax laws to the Internal Revenue Code of 1986, as amended, as of December 31, 2016.

Your Committee received testimony in support of 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 annual conformity measure is submitted by the Department of Taxation in compliance with section 235-2.5, Hawaii Revised Statutes, which requires the department to annually submit a measure to maintain state income tax conformity with the federal Internal Revenue Code. This measure is also intended to comply with section 236E-4, Hawaii Revised Statutes, which requires the department to annually submit a measure to maintain state estate and generation-skipping transfer tax conformity with the federal Internal Revenue Code. The purpose of conformity is to update the state tax laws with those changes made to the federal Internal Revenue Code during the past year and to adopt those changes that are appropriate for Hawaii law.

Your Committee believes that, given the Department of Taxation's testimony that the revenue impact of this measure is indeterminate, more information on the possible revenue impact is needed before taking final action on this measure.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to January 1, 2050;
- (2) Providing that the portions of the measure relating to the income tax law apply to taxable years beginning after December 31, 2049; and
- (3) Providing that the portions of the measure relating to the estate and generation-skipping transfer tax apply to decedents dying or taxable transfers occurring after December 31, 2049,

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. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Harimoto, Wakai).

SCRep. 537 Ways and Means on S.B. No. 1007

The purpose and intent of this measure is to promote effective tax administration and mitigate burdens on employers by changing the frequency of filing income tax withholding returns from monthly to quarterly for all employers.

Your Committee received testimony in support of this measure from the Department of Taxation and the Chamber of Commerce Hawaii.

Your Committee received testimony in opposition to this measure from one individual.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure would decrease the administrative burden on employers by reducing the number of withholding filings from twelve annual filings to four. Your Committee further finds that requiring withholdings to be reported quarterly would align the State's filing requirements with the filing requirements of the federal government.

Your Committee has amended this measure by:

- (1) Requiring employers whose annual liability for taxes withheld exceeds \$5,000, but does not exceed \$40,000, to remit the complete amount of tax withheld on a monthly schedule; and
- (2) Defining the term "monthly schedule" to mean on or before the fifteenth day of the calendar month following the month for which the taxes have been withheld.

As affirmed by the record of votes of the members of your Committee 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, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Harimoto, Wakai).

SCRep. 538 Ways and Means on S.B. No. 215

The purpose and intent of this measure is to repeal the education research and development revolving fund.

The Department of Education submitted written comments in support of this measure.

Your Committee finds that the education research and development revolving fund was established in 2001 in anticipation of the potential commercial exploitation of a special education student information system developed by the Department of Education. However, this exploitation did not occur, and over the last five years, no revenues have been deposited into this fund from the commercial exploitation of products and services developed by the Department of Education.

Your Committee further finds that pursuant to section 37-52.4(4), Hawaii Revised Statutes, the Legislature, in reviewing a revolving fund to determine whether it should be continued, is required to ensure that the fund, among other matters, demonstrates "the capacity to be financially self-sustaining." Your Committee notes that in Auditor's Report No. 16-11, the Auditor recommended the repeal of the education research and development revolving fund because the fund could not meet this statutory requirement.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 215 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Galuteria, Harimoto, Inouye, Kahele).

SCRep. 539 Ways and Means on S.B. No. 1099

The purpose and intent of this measure is to establish a service mark licensing agreement program in the Department of Education to allow the department and individual schools to license service marks.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that establishing a licensing agreement program pertaining to trademarks and service marks would allow the Department of Education and its schools to engage in commercial activities, including sponsorships, and to control the use of their trademarks and service marks by third parties.

Your Committee further finds that sponsorships can provide valuable financial resources for a host of educational activities that promote learning, including scholarships, field trips, and activities by school clubs and sports teams.

Your Committee notes that, as it is the intent of this measure to encompass both service marks and trademarks, the use of the term “mark” would more appropriately reflect that intent.

Accordingly, your Committee has amended this measure by changing the references to service marks to the term “mark” and defining that term to include both trademarks and service marks, similar to the term’s definition in section 482-1, 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. 1099, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1099, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Galuteria, Harimoto, Inouye, Kahele).

SCRep. 540 Education on S.B. No. 618

The purpose and intent of this measure is to require the Board of Education to establish a process whereby the public may petition the Board to add items to the agenda of the next meeting.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, League of Women Voters Hawaii, Democratic Party of Hawaii Education Caucus, IMUAlliance, Americans for Democratic Action, and seven individuals.

Your Committee finds that public access and transparency are vital to the proper functioning of public administrative bodies, including the Board of Education. Your Committee further finds that, while members of the public are permitted to testify at full meetings of the Board of Education, they are limited to testifying on items that already appear on the meeting’s agenda. Your Committee additionally finds that there is currently no mechanism by which members of the public may add items to Board of Education meeting agendas. This measure will increase public access to Board of Education meetings by requiring the Board to establish a process whereby the public may petition the Board to add items to the agenda of the next meeting.

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. 618 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 (Dela Cruz, Riviere).

SCRep. 541 (Joint) Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy on S.B. No. 975

The purpose and intent of this measure is to allow law enforcement officers and commissioned volunteer enforcement officers to confiscate removable windshield placards, temporary windshield placards, and special license plates for:

- (1) Fraudulent manufacture or alteration;
- (2) Any unauthorized use; or
- (3) Display of an invalid removable windshield placard, an invalid temporary removable windshield placard, or invalid special license plates.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board, Downtown-Chinatown Neighborhood Board No. 13, and two individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the statewide parking program for persons with disabilities is a vital component for ensuring the welfare of vulnerable citizens. To properly maintain this program for persons with disabilities, it is necessary to allow law enforcement officers, or those authorized by law enforcement, to confiscate removable disability parking placards and special license plates that are noncompliant with the provisions of the program or are being used by unauthorized persons. Further, your Committees note the testimony of the Disability and Communication Access Board and its recommendations for broadening this measure to further strengthen the enforcement of disability parking placards and specialty license plates. Your Committees find that the Disability and Communication Access Board’s proposed amendments would broaden the circumstances under which enforcement officers may confiscate items and increase deterrence of acts contrary to the intent of the statewide parking program for persons with disabilities.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to establish, as a misdemeanor offense, the sale or purchase of a removable windshield placard, a temporary removable windshield placard, or special license plates issued to an applicant, and authorizing confiscation of any placard or plates unlawfully sold or purchased;
- (2) Clarifying that the display of an invalid removable windshield placard, an invalid temporary removable windshield placard, or invalid special license plates may result in confiscation of the invalid placard or plates, rather than valid ones;

- (3) Inserting language to authorize an invalid removable windshield placard, an invalid temporary removable windshield placard, or invalid special license plates to be confiscated by a law enforcement officer or commissioned volunteer officer for the display or use of the invalid placard or plates; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 975, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 975, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 542 Hawaiian Affairs on S.B. No. 961

The purpose and intent of this measure is to amend the Hawaiian Homes Commission to reduce from three to two the number of commissioners who are residents of the City and County of Honolulu, and increase from two to three the number of commissioners to represent the County of Maui, of whom one shall represent the Island of Lana'i.

Your Committee received testimony in support of this measure from the Hawaiian Homes Commission, Office of Hawaiian Affairs, Kalamaula Homesteaders Association, Council for Native Hawaiian Advancement, and twelve individuals. Your Committee received testimony in opposition to this measure from the Sovereign Councils of the Hawaiian Homeland Assembly and one individual. Your Committee received comments on this measure from the Council of Native Hawaiian Associations and one individual.

Your Committee finds that the Hawaiian Homes Commission is currently composed of nine members, and at least one member is a resident of each island on which the Department of Hawaiian Home Lands has land with the exception of Lana'i. The Department of Hawaiian Home Lands acquired fifty acres on Lana'i in 1999, the Department has awarded twenty-nine leases on Lana'i, and there are sixty-six applicants awaiting lease awards on Lana'i. However, there is no requirement that a member of the commission be a resident of Lana'i.

Your Committee is concerned that there are many boards and commissions that are Oahu centric, which voids direct representation of the other islands. Public bodies should be fairly representative of the population of the State, with no one island dominating membership. With remote electronic access to meetings, your Committee believes that there are no longer any barriers in place to exclude membership of neighbor islanders.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 961 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 (Kim).

SCRep. 543 Ways and Means on S.B. No. 712

The purpose and intent of this measure is to require additional information to be included in the variance report submitted annually by the Governor to the Legislature to allow the Legislature to better align its budget decisions with the actual needs and expenditures of the departments.

More specifically, this measure requires the following information to be included in the variance report submitted to the Legislature before each Regular Session, commencing with the Regular Session of 2019:

- (1) Means of financing information and cost element breakdowns in comparison of:
 - (A) Budgeted appropriations and actual expenditures; and
 - (B) Position ceiling and filled positions; and
- (2) A summary by department of:
 - (A) Cost element breakdowns of expenditures; and
 - (B) The position ceiling in comparison to total positions filled.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds the variance report currently includes only a summary of budgeted appropriations and actual expenditures. Your Committee believes that the additional information required by this measure would allow the Legislature to monitor the actual budgetary performance of the departments more effectively.

In particular, your Committee notes the lack of detailed data on positions in the current variance reports limits their usefulness. According to the most recent variance report, for fiscal year 2015-2016, total budgeted permanent positions amounted to 45,652.15, while total actual permanent positions amounted to 43,334.75. The difference of 2,317.40 is substantial. Yet, the variance report does not provide summary data breakdowns of the difference by department or means of financing. More significantly, the current reports do not provide the difference in budgeted and actual personal services costs for the budgeted and actual positions. Your Committee finds that such data would help the Legislature identify areas for appropriate budget cuts.

Your Committee notes that it will continue to work with the Department of Budget and Finance on this measure and related legislation to improve and enhance budgetary information that is required to be submitted 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 is in accord with the intent and purpose of S.B. No. 712 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Harimoto, Taniguchi).

SCRep. 544 Ways and Means on S.B. No. 713

The purpose and intent of this measure is to require that the state six-year program and financial plan and budget include information on tax expenditures.

Your Committee received comments on this measure from the Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that more detailed information on tax expenditures is necessary for good public policy decision-making. Tax expenditures, similar to the appropriations of funds, result in a reduction of resources available for public programs. Your Committee further finds that public information on tax expenditures, particularly their negative impact on the state treasury, is not as readily available as is public information on budget appropriations and expenditures.

Your Committee notes that it will continue to work with the Department of Budget and Finance on this measure and related legislation to improve and enhance budgetary information that is required to be submitted to the Legislature.

Your Committee has amended this measure by:

- (1) Clarifying the definition of the term "tax expenditures"; 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. 713, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 713, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Harimoto, Taniguchi).

SCRep. 545 Ways and Means on S.B. No. 911

The purpose and intent of this measure is to increase the Hawaii Housing Finance and Development Corporation's revenue bond authorization from \$1,000,000,000 to \$1,500,000,000 to provide additional financing assistance for affordable rental housing projects under the Housing Loan and Mortgage Program.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; the Department of Business, Economic Development, and Tourism; and the Hawaii Association of REALTORS.

Your Committee finds that the lack of housing that is affordable for many Hawaii residents is one of the most significant and challenging social problems facing the State. Your Committee believes that as the cost of housing continues to increase, the State must continue to assist residents in obtaining affordable housing. Increasing the Hawaii Housing Finance and Development Corporation's revenue bond authorization will allow the corporation to provide additional financing assistance for affordable rental housing projects under the Housing Loan and Mortgage Program.

Your Committee understands that information about revenue bond activity for financing assistance to eligible project loans under the Housing Loan and Mortgage Program is regularly provided to the board of directors of the Hawaii Housing Finance and Development Corporation and is available to the public upon request. Your Committee believes that this information should also be provided to the Legislature in annual reports.

Accordingly, your Committee has amended this measure by adding provisions that require the Hawaii Housing Finance and Development Corporation to submit annual reports to the Legislature describing revenue bond activity to provide financing assistance for affordable rental housing projects under the Housing Loan and Mortgage Program.

Your Committee notes that concerns have been raised that the contents of this measure may not technically comport with the title of this measure. Your Committee disagrees but respectfully requests that a committee that subsequently hears this measure consider those concerns.

As affirmed by the record of votes of the members of your Committee 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, 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Harimoto, Kahele).

SCRep. 546 Human Services on S.C.R. No. 36

The purpose and intent of this measure is to request the Auditor to conduct a management audit of the State of Hawaii Department of Human Services' implementation of the Supplemental Nutrition Assistance Program.

Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from the Office of the Auditor.

Your Committee finds that due to Hawaii's high cost of living and food prices, many low-income individuals and families struggle to purchase food. The Federal Supplemental Nutrition Assistance Program is a crucial means of providing necessary assistance in the purchase of food for some of Hawaii's most disadvantaged citizens. However, many individuals who are eligible to participate in the Supplemental Nutrition Assistance Program do not participate because they are unaware of their eligibility or of the program's existence. Finding ways to maximize the Supplemental Nutrition Assistance Program in the State will ensure that those qualified individuals receive the assistance they need to purchase food.

Your Committee has amended this measure by:

- (1) Inserting language that requests the Auditor to examine the total utilization and total capacity of the Supplemental Nutrition Assistance Program in Hawaii;
- (2) Inserting language that requests the Auditor to examine ways to maximize the Supplemental Nutrition Assistance Program in Hawaii; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 36, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 36, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 547 Judiciary and Labor on S.B. No. 417

The purpose and intent of this measure is to establish that informal adjustment shall be prioritized over formal action with regard to a child reasonably believed to fall under the jurisdiction of the family court solely as a result of one or more violations of truancy.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons. Your Committee received comments on this measure from the Office of Youth Services.

Your Committee finds that informal adjustment may be provided to a child under the jurisdiction of the family court in lieu of going through a formal action. Informal adjustment may include various methods and programs, such as restitution projects, community service projects, community-based programs, and educational programs, that are designed to provide services and educate a child committing a status offense rather than impose penalties. By prioritizing informal adjustment for truancy cases, this measure provides a more appropriate consequence and opportunity for change to a child than suspension from school.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 417 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. 548 Judiciary and Labor on S.B. No. 443

The purpose and intent of this measure is to repeal the requirement of reporting contributions of more than \$100 in the organizational report of a candidate committee.

Your Committee received testimony in support of this measure from the Campaign Spending Commission. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that existing law requires candidate committees to disclose their contributions in periodic disclosure reports pursuant to sections 11-333 and 11-338, Hawaii Revised Statutes. The Campaign Spending Commission indicated in its written testimony that the organizational report of a candidate committee contains only directory-type information that does not have space for a candidate committee to disclose contributions. Thus, this measure deletes an unnecessary requirement.

Your Committee notes that while this measure may appear to reduce the public availability of information concerning campaign contributions, the statutory revisions contained in this measure relate only to organizational reports and have no adverse impact on full public disclosure of campaign contributions. This measure is intended only to address statutory redundancy and to allow the Campaign Spending Commission to process initial organizational reports more efficiently.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 443 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. 444

The purpose and intent of this measure is to repeal the requirement of reporting contributions in the organizational reports of noncandidate committees and noncandidate committees that make only independent expenditures.

Your Committee received testimony in support of this measure from the Campaign Spending Commission.

Your Committee finds that existing law requires noncandidate committees to disclose their contributions in periodic disclosure reports pursuant to sections 11-335 and 11-338, Hawaii Revised Statutes. The Campaign Spending Commission indicated in its written testimony that the organizational report of a noncandidate committee contains only directory-type information that does not have space for a noncandidate committee to disclose contributions. Thus, this measure deletes an unnecessary requirement.

Your Committee notes that while this measure may appear to reduce the public availability of information concerning campaign contributions, the statutory revisions contained in this measure relate only to organizational reports and have no adverse impact on full public disclosure of campaign contributions. This measure is intended only to address statutory redundancy and to allow the Campaign Spending Commission to process initial organizational reports more efficiently.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 444 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. 550 Judiciary and Labor on S.B. No. 111

The purpose and intent of this measure is to:

- (1) Clarify that the ballot of an absentee or military-overseas voter is deemed valid even if the voter becomes ineligible to vote after casting the ballot; and
- (2) Repeal the requirement that an absentee voter's ballot is deemed invalid if the voter returns the return envelope but dies prior to the opening of polls on the date of election.

Your Committee received testimony in support of this measure from the National Association for Uniformed Services, Hawaii Chapter. Your Committee received testimony in opposition to this measure from the Office of the City Clerk, City and County of Honolulu.

Your Committee finds that this measure provides efficiency in the counting of election ballots, so that cast ballots will not need to be intercepted and segregated due to the voter becoming ineligible subsequent to casting a ballot.

Your Committee has amended this measure by:

- (1) Making a conforming amendment to section 15-14, Hawaii Revised Statutes, to reflect the repeal of section 15-13, Hawaii Revised Statutes;
- (2) Inserting an effective date of January 7, 2059, 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. 111, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 111, 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 (Kim).

SCRep. 551 Judiciary and Labor on S.B. No. 314

The purpose and intent of this measure is to amend the law regarding the disclosure requirements of an arbitrator in an arbitration by:

- (1) Clarifying that an interest or relationship that is required to be disclosed by an arbitrator includes a known, direct, and material financial or personal interest in the outcome of the arbitration proceeding, or an existing or past substantial relationship with any of the parties to the agreement to arbitrate or other interested parties to the arbitration proceeding; and
- (2) Clarifying that if the court determines the arbitrator failed to disclose an interest or relationship that a reasonable person would consider likely to affect the impartiality of the arbitrator, then the court may determine that such a failure to disclose constituted evident partiality and vacate an award made by the arbitrator.

Your Committee received testimony in support of this measure from five individuals.

Your Committee finds that two recent decisions by the Supreme Court of Hawaii in *Nordic PCL Construction, Inc. v. LPIHGC, LLC*, 136 Hawaii 29 (2015) and *Noel Madamba Contracting LLC v. Romero*, 137 Hawaii 1 (2015) have resulted in implications to the arbitration process and have possible unintended consequences. Specifically, these two decisions affected the law relating to the disclosure requirements of an arbitrator that authorizes the trial court to vacate an arbitration award if the arbitrator failed to disclose a known fact that a reasonable person would consider likely to affect the impartiality of the arbitrator. In these two cases, the court held that an arbitrator's nondisclosure of information that may affect the arbitrator's impartiality constituted evident partiality as a matter of law and that the court was required to vacate the arbitrator's decision. This measure authorizes the trial court to determine the facts then impose relief that is appropriate and provides specific standards to enable the trial court to determine whether the arbitrator failed to disclose an interest or relationship that a reasonable person would consider likely to affect the impartiality of the arbitrator and whether to vacate an award made by an arbitrator who failed to disclose that information.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 314, 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. 552 Judiciary and Labor on S.B. No. 335

The purpose and intent of this measure is to authorize the use of the Uniform Family Law Arbitration Act.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. Your Committee received testimony in opposition to this measure from the Family Law Section of the Hawaii State Bar Association and one individual.

Your Committee finds that state laws vary when it comes to arbitrating family law matters and the purpose of the Uniform Family Law Arbitration Act is to lay a foundation for arbitration of family law issues and standardize the arbitration of those matters. This measure adopts the Uniform Family Law Arbitration Act to provide an alternative means to settle or resolve family law disputes outside of court.

Your Committee notes the concerns raised in written testimony regarding the exclusion of child-related disputes from the scope of this measure. Since some of the most contested divorce cases in Family Court involve money and children, allowing the arbitration of all aspects of a contested divorce except child-related disputes, such as custody matters, will likely lead to a Family Court bench trial, thereby resulting in bifurcated litigation and higher costs for the parties.

Accordingly, your Committee has amended this measure by:

- (1) Adding language from the Uniform Family Law Arbitration Act drafted by the National Conference of Commissioners on Uniform State Laws to expand its scope to include child-related disputes regarding child custody, visitation, or financial support regarding a child;
- (2) Inserting an effective date of January 7, 2059, 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. 335, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 335, 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. 553 Commerce, Consumer Protection, and Health on S.B. No. 401

The purpose and intent of this measure is to allow advanced practice registered nurses to offer care and services to minors and patients in assisted community treatment similar to care and services offered by physicians and other healthcare service providers.

Your Committee received testimony in support of this measure from the Board of Nursing, Hawai'i State Center for Nursing, Hawaii Government Employees Association, and ten individuals.

Your Committee finds that advanced practice registered nurses are licensed healthcare practitioners qualified to provide primary medical services to adolescents. Your Committee further finds that advanced practice registered nurses fill an important role in caring for patients' current and future health needs, and can help improve timely access to qualified behavioral health services for individuals most in need of care, such as severely mentally ill patients in assisted community treatment. Your Committee notes that while the State is experiencing a shortage of behavioral health specialists, the number of advanced practice registered nurses has nearly doubled in the years between 2005 and 2015.

Your Committee additionally finds that removing barriers to practice for advanced practice registered nurses will produce better access to safe, timely, quality healthcare for patients in Hawaii. More specifically, advanced practice registered nurses with psychiatric specialties are highly qualified to assess, diagnose, treat, and prescribe to patients with mental health conditions as well as adolescents in need of mental health services.

Your Committee has amended this measure by:

- (1) Amending the definition of "advanced practice registered nurse" and other provisions related to assisted community treatment to require that advanced practice registered nurses and advanced practice registered nurses with prescriptive authority who are assessing, treating, or providing diagnosis or medication to individuals in assisted community treatment have a psychiatric specialization;
- (2) Inserting language to establish that an advanced practice registered nurse can only be a "licensed mental health professional" authorized to provide mental health treatment or counseling services to a minor if the advanced practice registered nurse holds a psychiatric specialization; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 401, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 401, 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 (Ruderman).

SCRep. 554 Commerce, Consumer Protection, and Health on S.B. No. 786

The purpose and intent of this measure is to amend the Hawaii Revised Statutes and Hawaii Administrative Rules to substitute references to “medical marijuana” and like terms with “medical cannabis” and like terms.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawaii, Drug Policy Action Group, and three individuals. Your Committee received comments on this measure from the Department of Taxation and Department of Health.

Your Committee finds that the term “marijuana” originated as a slang term to describe the genus of plants that is scientifically known as cannabis. Your Committee further finds that the term “cannabis” is a more accurate and appropriate term to describe a plant that has been legalized for medicinal use in the State. Your Committee recognizes that implementation of this measure requires resources and time, and that the Department of Health’s current priority is to open dispensaries and laboratories so that patients have access to medical cannabis.

Accordingly, your Committee has amended this measure by:

- (1) Including section 237-24.3, Hawaii Revised Statutes, in the statutory sections referenced that shall be amended to reference “medical cannabis” instead of “medical marijuana” and like terms;
- (2) Clarifying that the Hawaii Administrative Rules shall be construed as having been amended to reflect the use of the term “medical cannabis” by operation of law;
- (3) Inserting language to require the Department of Health to revise all documents, letterhead, websites, and other necessary items to reflect the use of “medical cannabis” and like terms as the documents, letterhead, websites, and other necessary items otherwise require revision, replacement, or reprinting; provided that all conforming revisions shall be completed by December 31, 2019; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 786, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 786, 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 (Ruderman).

SCRep. 555 Commerce, Consumer Protection, and Health on S.B. No. 513

The purpose and intent of this measure is to:

- (1) Authorize pharmacists to prescribe and dispense self-administered hormonal contraceptive supplies to patients, regardless of a previous prescription from an authorized prescriber; and
- (2) Specify requirements pharmacists must meet prior to prescribing and dispensing contraceptive supplies.

Your Committee received testimony in support of this measure from the Board of Pharmacy, University of Hawai‘i System, Hawaii Pharmacists Association, Walgreens Company, Hawaii Public Health Association, Epic Interventions LLC, and eighteen individuals. Your Committee received testimony in opposition to this measure from the American Congress of Obstetricians and Gynecologists, American Association of University Women – Hawai‘i, American Osteopathic Association, and one individual. Your Committee received comments on this measure from the Hawaii Medical Service Association and Planned Parenthood Votes Northwest and Hawaii.

Your Committee finds that many reproductive health experts have long sought to make prescription contraceptives more readily accessible. Research indicates women are more likely to use prescription contraceptives and less likely to have unintended pregnancies when barriers are lifted to contraceptive access.

Your Committee also finds that Hawaii faces a growing primary care provider shortage, particularly in rural areas. Furthermore, pharmacists are in a unique position to serve as accessible health care providers when they are able to practice at the height of their profession. According to testimony received by your Committee, all United States accredited colleges of pharmacy prepare student pharmacists in courses related to pharmacology and therapeutic practice, including courses in contraceptive and hormonal pharmacology, reproductive physiology, and women’s health. Pharmacists are also educated on medication assessment and therapeutic recommendations and receive practical experience via clinical rotations. Accordingly, this measure authorizes pharmacists to prescribe and dispense self-administered hormonal contraceptive supplies to patients, provided certain requirements are met, which will increase access to prescription contraceptive supplies and decrease barriers regarding reproductive health care.

Your Committee has amended this measure by:

- (1) Removing vague language that would have prevented a pharmacist from prescribing contraceptive supplies to a patient who did not provide evidence of a clinical visit for women’s health, as this did not take into account the different requirements women could face, depending on age and health history;

- (2) Clarifying that pharmacists shall be eligible for reimbursement under the Insurance Code and hospital or medical service plan contracts issued by mutual benefit societies for prescribing and dispensing contraceptive supplies; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 513, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 513, 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 (Kidani, Ruderman).

SCRep. 556 Commerce, Consumer Protection, and Health on S.B. No. 514

The purpose and intent of this measure is to:

- (1) Authorize pharmacists to administer the human papillomavirus vaccine to persons between eleven and seventeen years of age; and
- (2) Specify requirements pharmacists must meet prior to administering the human papillomavirus vaccine.

Your Committee received testimony in support of this measure from the Department of Health; Board of Pharmacy; American Association of University Women – Hawai‘i; Daniel K. Inouye College of Pharmacy, University of Hawai‘i at Hilo; Hawaii Pharmacists Association; American Cancer Society Cancer Action Network; American Congress of Obstetricians and Gynecologists; Planned Parenthood Votes Northwest and Hawaii; Hawaii Women’s Coalition; Hawaii Immunization Coalition; Hawai‘i Public Health Institute; Hawaii Medical Service Association; Walgreens Company; CVS Health; Epic Interventions, LLC; and forty-nine individuals. Your Committee received testimony in opposition to this measure from six individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the human papillomavirus is a very common virus. According to the federal Centers for Disease Control and Prevention, approximately 79,000,000 people in the United States are currently infected, with about 14,000,000 people becoming infected each year. Human papillomavirus infection can cause cervical, vaginal, and vulvar cancers in women; penile cancer in men; and anal cancer, cancer of the throat, and genital warts in both men and women. Although there is no cure for human papillomavirus, human papillomavirus vaccination can prevent most of these cancers from occurring.

Your Committee further finds that the Centers for Disease Control and Prevention and the American College of Obstetricians and Gynecologists recommend routine vaccination with the human papillomavirus vaccine for preteen boys and girls so they are protected prior to any exposure to the virus. However, recent data released by the Centers for Disease Control and Prevention shows that human papillomavirus vaccination rates trail behind other teen vaccines, in part because the two-part vaccination requires a booster to complete the vaccination series.

According to testimony received by your Committee, as of 2015, twenty-three states allowed pharmacists to immunize in all ages for human papillomavirus. This measure enables pharmacists to administer the human papillomavirus vaccine to persons between eleven and seventeen years of age, which will expand access to this important vaccine and help reduce the incidence of human papillomavirus and the associated risk of cancers. Your Committee notes that a pharmacist may administer vaccines to adolescents only pursuant to a valid prescription and must meet specific training requirements prior to administering any human papillomavirus vaccine to persons between the ages of eleven and seventeen. Your Committee also notes that pharmacists who have completed the initial pharmacy-based immunization delivery continuing education course are listed on the Board of Pharmacy’s webpage.

Your Committee additionally finds that in addition to the human papillomavirus vaccine, three other vaccines, including the Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines, make up what is known as the “Adolescent Platform”, a series of shots recommended for adolescents between the ages of eleven and twelve. Amendments to this measure are therefore necessary to ensure pharmacists can administer these additional vaccinations to persons between eleven and seventeen years of age.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that pharmacists are authorized to administer the Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines, in addition to the human papillomavirus vaccine, to persons between eleven and seventeen years of age; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 514, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 514, 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 (Kidani, Ruderman).

SCRep. 557 Commerce, Consumer Protection, and Health on S.B. No. 203

The purpose and intent of this measure is to:

- (1) Establish specific membership, quorum, and voting requirements for the State Council on Mental Health; and
- (2) Establish the State Council on Mental Health within the Department of Health for administrative purposes.

Your Committee received testimony in support of this measure from the Department of Health and three individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the State Council on Mental Health supports persons in the community who live with mental illness. Your Committee further finds that the Council must be able to deliberate and make decisions on issues affecting the mentally ill community. According to the Department of Health, the Council did not meet twice during fiscal year 2017 and, therefore, was unable to discuss pending legislation. Your Committee finds that defining quorum based on the number of currently appointed members present immediately before a meeting instead of based on the number of members to which the board is entitled will better enable the Council to meet quorum requirements and ultimately fulfill its purpose of advocating for adults with serious mental illness, children with serious emotional disturbances, other individuals with mental illness or emotional problems, and individuals with combined mental illness and substance abuse disorders.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 203 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; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Ruderman).

SCRep. 558 Commerce, Consumer Protection, and Health on S.B. No. 147

The purpose and intent of this measure is to repeal section 325-15, Hawaii Revised Statutes, which requires United States citizens or nationals to submit a medical examination report to the Department of Health within sixty days of returning to the State after five years' residence in any United States territory or possession, or any foreign country, with a high occurrence of infectious and communicable diseases.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that mandatory testing for infectious and communicable diseases for United States citizens and nationals returning from certain areas after absences of five or more years provides minimal benefits to tuberculosis control in Hawaii, is costly to maintain, and is impractical to enforce. Your Committee further finds that knowledge of the epidemiology of tuberculosis has improved significantly since mandatory testing was established in 1978, and that current data indicates very few, if any, contagious tuberculosis cases would be identified in United States citizens or nationals through the current mandated testing.

Your Committee notes testimony submitted by the Department of Health that indicates the mandatory testing of infectious and communicable diseases has never truly been implemented since its enactment in 1978, and that no other state in the country has legislation similar to Hawaii that requires such testing. In addition, Hawaii does not have a system to track, test, and document travel of United States citizens and nationals for five or more years. Your Committee finds that there is no evidence that continuing the current infectious and communicable disease testing mandate will help control tuberculosis at this time.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 147 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 (Ruderman).

SCRep. 559 Commerce, Consumer Protection, and Health on S.B. No. 380

The purpose and intent of this measure is to permit licensed dental hygienists in the State to operate under general, rather than direct, supervision of a licensed dentist.

Your Committee received testimony in support of this measure from the Hawaii Dental Hygienists' Association, Lānaʻi Community Health Center, Kona Coast Dental Care, and eighteen individuals. Your Committee received comments on this measure from the Board of Dental Examiners and Hawaii Dental Association.

Your Committee finds that under existing law, licensed dental hygienists must operate under the direct supervision of a licensed dentist in most circumstances, meaning a supervising licensed dentist must examine each patient prior to treatment, assign and review each treatment, and remain physically present in the office or facility while the procedure is being performed. This requirement is time consuming for the dentist and restrictive for the dental hygienist.

Your Committee further finds that forty-five states authorize dental hygienists to work under some degree of general supervision, meaning a dentist must authorize a dental hygienist to perform procedures, but need not be present in the treatment facility during the performance of those procedures. Your Committee notes that existing state law permits general supervision of dental hygienists in public health settings, such as nonprofit health clinics, nursing homes, and adult day care centers or assisted living facilities. Your Committee concludes that, since dental hygienists are currently permitted to work under the general supervision of dentists in public health settings, these highly trained professionals should be able to do so in private practice settings as well. Accordingly, this measure permits licensed dental hygienists in Hawaii to operate under general supervision of a licensed dentist.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 380 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 (Kidani, Ruderman).

SCRep. 560 Commerce, Consumer Protection, and Health on S.B. No. 393

The purpose and intent of this measure is to:

- (1) Clarify that in cases where the removal or replacement of a director elected by a class of unit owners is authorized, such removal or replacement may only be by a majority of only the members of that class; and
- (2) Specify that, for an election in a mixed-use condominium project where directors are elected by different classes of owners, an association may cast the vote or votes allocated to any nonresidential unit owned by the association where those eligible to vote in the election are limited to owners of one or more nonresidential units, including the nonresidential unit owned by the association.

Your Committee received testimony in support of this measure from the Hawai'i State Association of Parliamentarians, Associa, and two individuals. Your Committee received testimony in opposition to this measure from Hui 'Oia'i'o and two individuals.

Your Committee finds that existing condominium law permits different classes of directors in mixed-use projects. Existing law also provides for the removal of directors by a majority of the unit owners. This measure clarifies that the removal or replacement of a director elected by a class of unit owners shall only be by a majority of the members of that class. Your Committee notes that this clarification is similar to language regarding removal of directors in the Hawaii Business Corporations Act and Hawaii Nonprofit Corporations Act. Your Committee also notes that this measure does not give a condominium board a weighted vote to remove directors. Rather, this measure simply provides that if a director is elected by a class of unit owners, then the director may be removed or replaced only by a vote of a majority of the common interest represented by that class.

Your Committee further finds that existing law specifies that no votes allocated to a unit owned by a condominium association may be cast for the election or reelection of directors. However, this prohibition may be an issue for mixed-use condominium projects where directors are elected by different classes of owners. For example, in a mixed-use project that contains residential and commercial units, the board of directors may be comprised of directors elected by residential unit owners and directors elected by commercial unit owners. A condominium association that owns the single commercial unit in a mixed-use project would therefore be unable to elect or reelect the directors needed to represent that commercial unit.

Accordingly, this measure makes an exception for votes cast for nonresidential units owned by an association to ensure that elections may be held and directors may be elected. Your Committee notes that this is a very narrow exception and has no effect on directors elected by owners of residential units. This exception simply allows a condominium board to cast the vote allocated to a nonresidential unit owned by the association in elections where the only persons eligible to vote are owners of nonresidential units and the association owns one or more of those nonresidential units.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 393 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Kidani, Nishihara, Ruderman).

SCRep. 561 Commerce, Consumer Protection, and Health on S.B. No. 292

The purpose and intent of this measure is to repeal chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, and ensure all condominiums in the State are governed under chapter 514B, Hawaii Revised Statutes, relating to condominiums.

Your Committee received testimony in support of this measure from the Hawai'i State Association of Parliamentarians, Hawaii Council of Associations of Apartment Owners, Associa, and four individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that two condominium chapters are currently maintained: chapter 514A, Hawaii Revised Statutes (chapter 514A), and chapter 514B, Hawaii Revised Statutes (chapter 514B). Chapter 514A is relevant only to condominium property regimes that were created before July 1, 2006, but not yet brought to market for sale. Chapter 514B has applied to all condominiums created within the State since July 1, 2006. Furthermore, virtually all provisions of chapter 514B that affect the management of condominiums have applied automatically to condominiums in existence before July 1, 2006, the effective date of chapter 514B, subject to two conditions: the specified provisions automatically apply only to events and circumstances occurring on or after July 1, 2006; and such automatic application shall not invalidate existing provisions of a condominium's governing documents if to do so would invalidate a developer's reserved rights or be an unreasonable impairment of contract.

Your Committee further finds that the applicability provisions of chapter 514B seek to balance the benefits of having the improved condominium law apply to all condominiums against reasonable contractual expectations of condominiums in existence before July 1, 2006. Your Committee notes that the "reasonable contractual expectation" of condominiums in existence before July 1, 2006, is in regard to the condominium's recorded governing documents, such as the master deed, declaration, bylaws, and condominium map. When these condominiums "opted-in" to chapter 514B, the condominiums were opting-in to this chapter over the language of any governing documents that were drafted under Chapter 514A. According to testimony received by your Committee, the fact that chapter 514A is still maintained has caused some to mistakenly believe that because a condominium has not opted-in to chapter 514B, chapter 514A still applies, even for things that happened after July 1, 2006.

Your Committee also finds that although there are still some condominium projects that were created before July 1, 2006, these projects exist only on paper and have never been built and sold to anyone in the general public. Your Committee notes that the developers of such projects have had more than a decade to bring their condominium projects created under chapter 514A to market. However, this measure still provides a generous window of opportunity, until January 1, 2019, for these developers to register their projects with the Real Estate Commission and bring the projects to market. Finally, your Committee notes that this measure is needed to eliminate the unnecessary confusion caused by maintaining two condominium chapters under Hawaii law.

Your Committee has amended this measure by:

- (1) Specifying that this measure shall take effect on January 1, 2019, and removing language that referenced condominiums formerly subject to chapter 514A being transitioned to and governed by chapter 514B, without paying any additional costs or filing any additional paperwork with the Real Estate Commission; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 292, 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 (Kidani, Nishihara, Ruderman).

SCRep. 562 Commerce, Consumer Protection, and Health on S.B. No. 378

The purpose and intent of this measure is to require the board of directors of a residential condominium that contains twenty or more units to take and satisfactorily complete an online ethics course and examination offered through the Real Estate Commission.

Your Committee received testimony in support of this measure from Hui 'Oia'i'o and four individuals. Your Committee received testimony in opposition to this measure from the Real Estate Commission, Hawaii Council of Association of Apartment Owners, and three individuals. Your Committee received comments on this measure from the Hawai'i State Association of Parliamentarians and one individual.

Your Committee finds that education for condominium owners and boards of directors of condominium associations can help ensure a healthy condominium association. This measure seeks to address the educational component for boards of directors by requiring board members of certain condominium property regimes to take and complete an online ethics course and examination offered through the Real Estate Commission.

However, your Committee has heard the concerns that this measure may have certain unintended consequences. Specifically, your Committee has heard testimony that some condominium associations have experienced difficulties obtaining volunteers to serve on association boards and this measure may further discourage people from volunteering. Your Committee has also heard testimony that although improvement in education amongst condominium owners and condominium boards of directors is needed, the need is not so much for ethics training as it is a need for greater understanding of the overall condominium statute, chapter 514B, Hawaii Revised Statutes.

Your Committee further finds that the Hawaii Council of Community Associations, a private nonprofit advocacy group, produces a weekly live-streaming video show, known as "Condo Insider", which consists of videos designed to educate condominium owners, residents, and board members. Your Committee concludes that a link to these free videos, accessible from the Department of Commerce and Consumer Affairs' website, will provide better access to educational resources that can improve the condominium experience for condominium owners, residents, and board members.

Your Committee has amended this measure by:

- (1) Requiring the Department of Commerce and Consumer Affairs to include a link on the Real Estate Branch's condominium registration and education website to an educational video program produced by the Hawaii Council of Community Associations;
- (2) Requiring a disclaimer to be added to the website, which specifies that the video program is not produced by the State but is produced as a public service by a private nonprofit advocacy group as a public service to help educate condominium owners, condominium residents, and association board members;
- (3) Deleting language that would have required the board of directors of residential condominiums that contained twenty or more units to take and satisfactorily complete an online ethics course and examination offered through the Real Estate Commission;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 378, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 378, 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 (Kidani, Nishihara, Ruderman).

SCRep. 563 Commerce, Consumer Protection, and Health on S.B. No. 306

The purpose and intent of this measure is to:

- (1) Clarify that projects that contain a combination of time share units, transient vacation rentals, and private residential units located in the same project are required to comply with the document, record, and information disclosure requirements under the State's condominium statutes;
- (2) Require hard copies of condominium association documents, records, and information to be provided to requesting owners within twenty-four hours and available for download through an internet site; and
- (3) Specify that failure to make association documents, records, and information available is an unfair or deceptive act or practice.

Your Committee received testimony in support of this measure from Hui 'Oia'i'o, Associa, Concerned Sands of Kahana Vacation Club Owners, and fifty-four individuals. Your Committee received testimony in opposition to this measure from the American Resort Development Association – Hawai'i; Soleil Management Hawaii, LLC; RCI, LLC; Marriott Vacations Worldwide Corporation; Wyndham Vacation Ownership; ILG; and three individuals. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Hawaii Council of Associations of Apartment Owners, and one individual.

Your Committee finds that it is important for time share unit owners to be active and engaged owners within their time share projects. However, according to testimony received by your Committee, some time share unit owners have experienced difficulties receiving appropriate information, in particular documents that would enable an owner to sell the owner's time share unit. Your Committee further finds that ensuring time share owners have an opportunity for representation on a board of directors for a time share association or vacation club enables owners to maintain an independent voice, oversee increases in expenditures that directly affect all members of a time share project, and effectively communicate with other owners. Amendments to this measure are therefore necessary to ensure that owners who belong to a time share owners association or vacation club are able to access appropriate information regarding elections for a board of directors.

Your Committee additionally finds that this measure requires specific documents to be produced in a hard copy format within twenty-four hours of receiving a request. Your Committee has heard the concerns raised in testimony that this time frame may result in significant noncompliance. Your Committee notes that requests for records may encompass a range of data, which may require far more than twenty-four hours to compile and disclose. Your Committee has also heard testimony that boards of directors should be responsible for a decision to produce documents or comply with any other mandatory provisions of the State's condominium laws. An amendment to this measure is therefore necessary to clarify that compliance with mandatory provisions of the condominium laws is part of the fiduciary duty a board of directors owes to its association. Clearly outlining this duty in statute prevents a board from relying on its managing agent to handle owner requests for documents.

Your Committee has amended this measure by:

- (1) Clarifying that projects that contain a combination of time share units, transient vacation rentals, and private residential units located in the same project are required to provide basic documents that will enable an owner to sell the owner's time share unit within forty-eight hours of a request and removing language that required these projects to comply with the document, record, and information disclosure requirements specified in the State's condominium statute;
- (2) Clarifying that an owner of a time share unit has the right to receive a list of all time share owners, including contact information, for purposes directly related to the business of a time share owners association or vacation club;
- (3) Specifying that a management company of a time share owners association or vacation club board of directors must provide specific information to owners regarding candidates for election to the board of directors within thirty days prior to the election;
- (4) Specifying that no representative of a management company shall have a controlling interest on a board of directors for a time share owners association or vacation club;
- (5) Clarifying that any violation of a mandatory provision of the State's condominium law by a board or its officers and members is a per se violation of the board's fiduciary duty, but providing a safe harbor provision for a board member who votes for compliance during a board meeting;
- (6) Deleting language that would have required hard copies of condominium association documents, records, and information to be provided to requesting owners within twenty-four hours and available for download through an internet site;
- (7) Deleting language that would have made a failure to make required association documents, records, and information available an unfair or deceptive act or practice; 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, Consumer Protection, and Health 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, 3 (Kidani, Nishihara, Ruderman).

SCRep. 564 Commerce, Consumer Protection, and Health on S.B. No. 865

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, except for employees of a public utility, to possess a trade license or an electrical engineering degree from an accredited college to perform electrical work in the State.

Your Committee received testimony in support of this measure from the Electrical Contractor's Association of Hawai'i; International Brotherhood of Electrical Workers, Local Union No. 1186, AFL-CIO; International Brotherhood of Electrical Workers, Local Union No. 1260, AFL-CIO; Home Security & Sound, Inc.; Carpet, Linoleum and Soft Tile, Local Union 1926, Market Recovery Trust Fund; Hawaii Glaziers, Architectural Metal Glassworkers, Local Union 1889, AFL-CIO, Stabilization Trust Fund; Hawaii Tapers Market Recovery Trust Fund; and Painting Industry of Hawaii Labor Management Cooperation Trust Fund. Your Committee received testimony in opposition to this measure from the Contractors License Board; Custom Electronic Design & Installation Association; Power Contracting, LLC; and Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that under existing law, electrical contractors in Hawaii must pass a state-required test to manage an electrical contracting company. This electrical contractor license is different from the journey worker electrician license that is also required under state law for an individual to perform or supervise electrical work in the field. According to testimony received by your Committee, there is concern that a loophole in existing law may be enabling certain sole proprietors, who have applied for electrical contractor licenses, to perform or supervise electrical field work on the job site, without obtaining the appropriate journey worker electrician license or having the equivalent background knowledge of an electrical engineer. This measure attempts to address this loophole by requiring any person applying for a license as an electrical contractor, pole and line contractor, high voltage electrical contractor, or electronic systems contractor, except for employees of a public utility, to possess a trade license or an electrical engineering degree from an accredited college.

However, according to testimony received by your Committee, the skills associated with the C-62 (pole and line contractor) and C-63 (high voltage electrical contractor) specialty contractor licenses require the skills of a journey worker lineman, which are a completely different set of skills than those required of a journey worker electrician. In Hawaii, C-62 and C-63 licensees must possess the knowledge and skills to work on energized lines with primary voltages up to 138,000 volts. This high voltage work requires very specialized skills, and different training, tools, and equipment from the more common low-voltage electrician work that may be performed by a person holding a C-13 (electrical contractor) specialty contractor license. As the intent of this measure is to ensure persons performing or supervising low-voltage electrical field work are appropriately licensed, your Committee concludes that amendments to this measure are needed.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required any person applying for a license as a pole and line contractor or high voltage electrical contractor to possess a trade license or an electrical engineering degree from an accredited college;
- (2) Clarifying that the exemption applies to a public utility or a community antennae television company, rather than employees employed by a public utility or community antennae television company;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 865, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 865, 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 (Espero, Ihara). Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 565 Commerce, Consumer Protection, and Health on S.B. No. 505

The purpose and intent of this measure is to reduce addiction, overdose, and death related to the use of opioids by:

- (1) Requiring an opioid therapy informed consent process agreement to be executed between a patient and any prescriber of opioids under certain conditions; and
- (2) Limiting initial prescriptions for opioids and benzodiazepines to a maximum of seven consecutive days.

Your Committee received testimony in support of this measure from the Early Childhood Action Strategy, Hawaii Opioids and Overdose Leadership Action Working Group, and three individuals. Your Committee received comments on this measure from the Department of Health, Department of Public Safety, Board of Nursing, Drug Policy Forum of Hawai'i, Hawaii Medical Association, The Queen's Health Systems, Hawaii College of Emergency Physicians, and Drug Policy Action Group.

Your Committee finds that Hawaii and the nation are facing an epidemic related to prescription pain relieving drugs that are causing frightening rates of addiction, overdose, and death. According to the National Institute on Drug Abuse, opioids account for the greatest proportion of the prescription drug abuse problem, with opioids causing more deaths than heroin or cocaine by 2002 when opioid prescriptions were on the rise. According to data provided by the PEW Charitable Trusts, opioid pain relievers killed nearly 20,000 Americans in 2014.

Your Committee further finds that national and state legislators, and many community groups, are trying to curb this epidemic through public education and limiting liberal opioid prescribing practices. Your Committee additionally finds that informed consent is an effective process between a provider and a patient that requires a specific medication or form of treatment such as safe opioid therapy. The informed consent process allows the patient to better understand the goals of treatment, potential benefits of treatment, realistic outcomes, potential risks, how to use the medication, and alternative treatment options.

Your Committee recognizes that any approach to curb the opioid epidemic must balance the medically justified and necessary use of opioid pain medication with the reality of increased opioid misuse, abuse, and overdose. Your Committee also recognizes that patients in certain circumstances suffering from certain conditions may not be served by a strict seven-day limit on initial prescriptions of opioids. Furthermore, your Committee acknowledges that healthcare professionals need to be held accountable for following rules pertaining to opioid prescribing, but that related disciplinary action should come from professional licensing boards. Finally, your Committee finds that advanced practice registered nurses are primary care providers and, therefore, are qualified to provide concurrent care and consultation to patients who are going through opioid therapy.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Harm Reduction Services Branch of the Department of Health, instead of the Administrator of the Narcotics Enforcement Division of the Department of Public Safety, to develop and make available a template of an opioid therapy informed consent process agreement;

- (2) Inserting a provision to require that the template for the opioid therapy informed consent process agreement include an assessment of reproductive health plans for women ages 18 to 50 and a statement that the patient has been advised of the risks of opioid use during pregnancy and has been offered information regarding how to avoid pregnancy while using opioids;
- (3) Inserting language to include an advanced practice registered nurse as an authorized healthcare provider to whom a patient may consent to be referred for concurrent care if opioid therapy continues for longer than six months;
- (4) Inserting a provision to require that all opioid therapy informed consent process agreements be filed with the Harm Reduction Services Branch of the Department of Health for monitoring;
- (5) Inserting language to clarify that prescribers who violate the mandatory opioid therapy informed consent process shall be subject to disciplinary action established by the Hawaii Medical Board or the State Board of Nursing;
- (6) Inserting language to require all prescribers who are authorized to prescribe opioids in the State to register with Hawaii's Electronic Prescription Accountability System, which is commonly known as the Hawaii Prescription Drug Monitoring Program;
- (7) Inserting provisions to allow the prescription of opioids and benzodiazepines for longer than seven days if determined to be medically necessary for the treatment of post-operative pain, chronic pain, substance abuse or opioid dependence, or pain while in palliative care or hospice care; provided that the practitioner must document in the patient's medical record the condition for which the prescription is necessary and that no alternative is appropriate to treat the condition;
- (8) Inserting a provision that allows prescribing practitioners to authorize follow-up prescriptions for opioids and benzodiazepines through a telephone consultation with post-operative and pain management patients but requires an in person consult at least every thirty days;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 566 Ways and Means on S.B. No. 930

The purpose and intent of this measure is to provide a means for the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) to void claims for reimbursement of Medicare Part B premiums or any other debt payable that total less than \$500 and are older than ten years.

Your Committee received written comments in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees.

Your Committee finds that the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) currently does not have the authority to void claims for insignificant amounts of unclaimed property after a sufficient period of time has passed, and that this measure will provide that authority.

Your Committee has amended this measure by clarifying language providing that if the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) cannot locate the employee-beneficiary or other person or entity entitled to payment, further payment shall be forfeited to the fund if the total amount is less than \$500 and shall not escheat under the laws of any state, subject to certain conditions.

As affirmed by the record of votes of the members of your Committee 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 930, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kaehele).

SCRep. 567 Ways and Means on S.B. No. 987

The purpose and intent of this measure is to address evolving issues regarding records retained by the Bureau of Conveyances and the Land Court.

More specifically, the measure:

- (1) Expands the allowable uses of the \$5 transaction fee authorized to be collected on each recording in the Bureau of Conveyances and the office of the assistant registrar of the Land Court to include purchases of software, project management and implementation, workflow improvements, and services related to the management, archiving, preservation, and accessibility of records; and
- (2) Clarifies that the transaction fee shall be repealed upon the establishment of the fee through applicable administrative rules adopted by the Department of Land and Natural Resources or on July 1, 2022, whichever occurs first.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources and First American Title Company, Inc.

Your Committee finds that expanding the authorized use of these transaction fees to address evolving issues regarding records management and retention by the Bureau of Conveyances and the Land Court will improve workflow processes for both daily and historical records certification and the preservation of physical records.

Your Committee has amended this measure by making a technical amendment to comport with recommended drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 568 Ways and Means on S.B. No. 453

The purpose and intent of this measure is to appropriate funds for one ambulance unit each for the County of Kauai and the County of Hawaii, including equipment, supplies, and personnel costs.

Your Committee received written comments in support of this measure from the Office of the Mayor of the County of Hawaii; the councilmember for the third district of the County of Hawaii; the councilmember for the third district of the City and County of Honolulu; the Office of the Prosecuting Attorney for the County of Hawaii; Hawaii Fire Fighters Association, Local 1463; Hawaii Pacific Health; American Medical Response--Kauai County; Hawaii State Association of Counties; five concerned paramedics; and eighteen concerned individuals.

Your Committee received comments on this measure from one concerned individual.

Your Committee finds that despite significant population increases over the past fifteen years, the last time the County of Kauai received an additional ambulance was in 1992 and the County of Hawaii has not received an additional ambulance since 2005. Your Committee further finds that the Department of Health Emergency Medical Services and Injury Prevention Branch has identified Puna and the surrounding areas of the County of Hawaii, as well as the County of Kauai, as the highest areas of need for additional ambulance units.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Although the appropriation amount in this measure is unspecified, your Committee notes that the requisite funds needed for each ambulance unit is \$1,500,000, for a total cost of \$3,000,000.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 453, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 453, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 569 Ways and Means on S.B. No. 1236

The purpose and intent of this measure is to amend Act 188, Session Laws of Hawaii 2016, to facilitate completion of the study of closed workers' compensation claims mandated by the Act.

More specifically, this measure:

- (1) Stipulates that the Auditor will contract with a suitable entity, rather than an actuarial firm, to perform a study of closed claims in the workers' compensation system;
- (2) Requires the study to include the processing time for closed claims;
- (3) Extends the deadline for completion of the study by one year to November 30, 2018, and the deadline to submit the study to the Legislature to twenty days prior to the convening of the Regular Session of 2019; and
- (4) Makes an appropriation for the study, contingent on a dollar-for-dollar match by fees assessed to workers' compensation insurers, workers' compensation captive insurers, and workers' compensation self-insureds.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Office of the Auditor, and ILWU Local 142.

Your Committee finds that in order to make reasoned decisions on amending the State's workers' compensation laws, the Legislature enacted Act 188, Session Laws of Hawaii 2016, which requires the Auditor to contract with an actuarial firm to conduct a study of closed workers' compensation claims to be completed by November 30, 2017. This study will provide the Legislature with valuable information on how to optimize the processing of claims and delivery of workers' compensation benefits. Your Committee further finds that this measure requires additional information to be included in the study and therefore believes that the deadline for the study's completion should be extended.

Your Committee has amended this measure by changing the amount of the appropriation from \$150,000 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 S.B. No. 1236, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1236, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 570 Judiciary and Labor on S.B. No. 1036

The purpose and intent of this measure is to:

- (1) Clarify that the failure to register a firearm within the required time period does not relieve the owner of the duty to register the firearm; and
- (2) Allow the owner of an unregistered firearm to register the firearm thereafter without penalty.

Your Committee received testimony in support of this measure from the Police Department, City and County of Honolulu; Lessons In Firearms Education; and two individuals.

Your Committee finds that existing law lacks sufficient clarity regarding the duties of firearms owners to register their firearms even after the deadline to register has passed. To ensure that all firearms are properly registered, this measure encourages owners to properly register their firearms and allows law enforcement agencies to maintain more accurate records of firearms within the State.

Your Committee has amended this measure by:

- (1) Deleting language that specifies that the duty to register a firearm is an ongoing one;
- (2) Inserting an effective date of January 7, 2059, 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. 1036, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1036, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 571 Human Services on Gov. Msg. No. 503

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF HUMAN SERVICES

G.M. No. 503 PANKAJ BHANOT, for a term to expire 12-03-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Pankaj Bhanot to possess the requisite qualifications to be nominated for Director of the Department of Human Services.

Your Committee received testimony in support of the nomination of Pankaj Bhanot from Governor David Y. Ige; Department of Health; Department of Land and Natural Resources; Department of Commerce and Consumer Affairs; Department of Transportation; Department of Labor and Industrial Relations; Department of Taxation; Department of Public Safety; Department of Accounting and General Services; Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Department of Human Services, Social Services Division; Hawaii Public Housing Authority; Office of Enterprise Technology Services; Hawaii State Coalition Against Domestic Violence; Child & Family Service; Healthcare Association of Hawaii; Hawaii Primary Care Association; Hawaii Children's Action Network; Parents and Children Together; PHOCUSED; 'Ohana Health Plan; SanHi Government Strategies; Chamber of Commerce Hawaii; and thirty-three individuals.

Pankaj Bhanot is currently the Interim Director of the Department of Human Services, one of the largest state departments that provides timely, efficient and effective programs, services and benefits to empower those who are the most vulnerable in our State to expand their capacity for self-sufficiency, self-determination, independence, healthy choices, quality of life, and personal dignity. Previously, Mr. Bhanot served as Deputy Director of the Department of Human Services where he managed day-to-day operations of the Department and provided supervisory and management support to the divisions, staff offices, and attached agencies. Prior to that, he served as the Division Administrator for the Benefit, Employment, and Support Services Division of the Department of Human Services, providing leadership for the State's self-sufficiency and economic assistance programs. Mr. Bhanot earned a Master of Laws from Cornell Law School and a Bachelor of Laws and a Bachelor of Arts in Political Science from the University of Delhi.

Your Committee believes that the nominee, with over seventeen years of experience in various leadership positions in the Department of Human Services, possesses the qualifications to serve as Director of Human Services and lead the Department in implementing its mission. More particularly, his collaborative approach and commitment to serve are indicative of the type of leadership that is needed at the Department of Human Services at this time, as Hawaii is facing myriad statewide challenges, such as homelessness, food and medical assistance, and kupuna and youth welfare. Testifiers commented on Mr. Bhanot's dedication to serving the State and its residents and his professionalism and expertise in his various leadership roles.

Your Committee notes from the nominee's personal statement that his vision for the Department of Human Services is to continue to prioritize the prevention of child abuse and neglect; adult abuse, neglect, and exploitation; domestic violence; and sex and human trafficking. As major changes in demographics, policy, and technology are driving a surge of new service demands, Mr. Bhanot believes in thinking very differently and positioning the Department to be in the ideal position to serve the ever-changing and dynamic clientele. Mr. Bhanot looks forward to continuing to integrate 'Ohana Nui, a multigenerational framework that invests early and concurrently in children and families. Furthermore, Mr. Bhanot hopes that reengineering the Department of Human Services' business processes and developing the Department's enterprise system will assist in supporting 'Ohana Nui to serve residents across programs and divisions with an integrated eligibility and case management application to connect residents quickly to available resources.

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, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 572 Ways and Means on S.B. No. 149

The purpose and intent of this measure is to repeal certain requirements in order to qualify for an award of a health and human services contract.

Specifically, the measure repeals:

- (1) The requirement that all applicants for procurement contracts for health and human services possess all licenses necessary to conduct the subject business; and
- (2) The requirement that all contracts for health and human services include only costs, fees, and taxes reflected on the face of the proposal.

Your Committee received written comments in support of this measure from the Department of Human Services and the Department of Health.

Your Committee finds that the requirement that potential contractors obtain licensure prior to being awarded a state contract for health or human services has served as a significant barrier to new providers entering the service system, as providers typically will not obtain licensure prior to being awarded a contract. Your Committee further finds that the Hawaii Administrative Rules already require applicants to obtain necessary licenses prior to the start of contract services, and therefore the requirements being repealed by this measure are not necessary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 149 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 573 Ways and Means on S.B. No. 966

The purpose and intent of this measure is to clarify that lands owned by, or set aside by executive order to, the Hawaii Public Housing Authority are not "public lands" under the jurisdiction of the Department of Land and Natural Resources pursuant to section 171-2, Hawaii Revised Statutes.

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 Department of Land and Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that the Hawaii Public Housing Authority is authorized to acquire, own, and hold real property for public housing purposes. This measure would allow the Hawaii Public Housing Authority to exercise its powers relating to public housing without the need to obtain approval from the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 574 Ways and Means on S.B. No. 1255

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$50,000,000 for the purpose of assisting Honokaa Land Company, LLC as an agricultural enterprise.

Your Committee received written comments in support of this measure from the Department of Agriculture.

The Department of Budget and Finance and Honokaa Land Company, LLC provided written comments on the measure.

Your Committee finds that the issuance of special purpose revenue bonds to assist Honokaa Land Company, LLC as an agricultural enterprise is in the public interest and will benefit the public health, safety, and general welfare. Proceeds from the sale of the bonds will assist Honokaa Land Company, LLC to acquire, develop, and renovate various facilities at two sites on the island of Hawaii for agricultural purposes and enable Honokaa Land Company, LLC to convert to renewable energy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1255 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 575 Ways and Means on S.B. No. 981

The purpose and intent of this measure is to address proceedings related to, and appeal of administrative decisions made by, the Hawaii Labor Relations Board.

More specifically, this measure:

- (1) Allows the Board to send written notice of an appeals board hearing by electronic service through a company designated by the board; and
- (2) Provides that the party that seeks review of an appeals board decision and order shall bear the cost of preparing a transcript except as otherwise provided by law, in which case the appeals board bears the cost.

Your Committee received written comments in support of this measure from the Hawaii Labor Relations Board and University of Hawaii Professional Assembly.

Your Committee finds that in the twenty-first century, the use of electronic communication for official purposes is commonplace, efficient, and cost effective. Currently, the Hawaii Labor Relations Board is required to send notice of an appeals board hearing through first class mail. Allowing the Board to use electronic communication rather than the postal service to notify parties of an appeals board hearing will avoid postage costs and save time spent on preparation of physical notices.

Your Committee further finds that current law is silent on the issue of which party bears the cost of preparing a transcript for review of a decision and order of the appeals board. Your Committee believes that allocation of that cost by this measure is equitable and will prevent confusion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 981, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 576 Ways and Means on S.B. No. 969

The purpose and intent of this measure is to make an emergency appropriation to the Department of Human Resources Development to pay workers' compensation claims required under chapter 386, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Human Resources Development.

Your Committee finds that a critical funding crisis exists within the Department of Human Resources Development and that an emergency appropriation is warranted to enable the Department to meet its legal obligation to pay the workers' compensation benefits that are due to State of Hawaii employees who sustain work-related injuries and illnesses during fiscal year 2016-2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Galuteria).

SCRep. 577 Ways and Means on S.B. No. 914

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (2) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii System, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (2) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 578 Ways and Means on S.B. No. 915

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (3) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii System, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (3) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 915, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 579 Ways and Means on S.B. No. 916

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (4) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii System, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (4) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 916, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 580 Ways and Means on S.B. No. 917

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and Hawaii State Teachers Association.

Your Committee finds that negotiations for collective bargaining unit (5) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 917, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 581 Ways and Means on S.B. No. 918

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments 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 negotiations for collective bargaining unit (6) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 918, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 582 Ways and Means on S.B. No. 919

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (7) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, University of Hawaii System, and University of Hawaii Professional Assembly.

Your Committee finds that negotiations for collective bargaining unit (7) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 919, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 583 Ways and Means on S.B. No. 920

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (8) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, University of Hawaii System, and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (8) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 920, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 584 Ways and Means on S.B. No. 921

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii System, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (9) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 921, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 585 Ways and Means on S.B. No. 922

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (10) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii System, and the United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (10) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 922, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 586 Ways and Means on S.B. No. 923

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (11) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and Hawaii Fire Fighters Association.

Your Committee finds that negotiations for collective bargaining unit (11) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 923, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 587 Ways and Means on S.B. No. 924

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (1) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii System, and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (1) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 924, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 588 Ways and Means on S.B. No. 925

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (13) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, Hawaii Health Systems Corporation, East Hawaii Region of Hawaii Health Systems Corporation, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that negotiations for collective bargaining unit (13) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 925, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 589 Ways and Means on S.B. No. 926

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items, salary adjustments, and other cost items for public employees in collective bargaining unit (14) and their excluded counterparts for fiscal biennium 2017-2019.

Your Committee received written comments 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 negotiations for collective bargaining unit (14) agreements are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if an agreement is reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 926, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 590 Ways and Means on S.B. No. 944

The purpose and intent of this measure is to appropriate funds for collective bargaining cost items to facilitate the transition of Maui region hospital employees to employment with Maui Health Systems, a Kaiser Foundation Hospitals LLC.

Your Committee received written comments in support of this measure from the Department of Budget and Finance; Hawaii Health Systems Corporation; the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and United Public Workers, AFSCME, Local 646, AFL-CIO.

Your Committee finds that in 2015 and 2016, the State entered into an agreement to transfer the management and operation of Maui region hospitals to Maui Health Systems, a Kaiser Foundation Hospitals LLC, with the official transfer now scheduled to occur on July 1, 2017. Your Committee further finds that negotiations for the various collective bargaining unit agreements applicable to Maui region hospital employees are currently in progress. This measure provides a legislative vehicle to appropriate necessary funds if agreements are reached prior to the end of the 2017 Regular Session.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 944, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Riviere, Taniguchi, Tokuda, Wakai).

SCRep. 591 Judiciary and Labor on S.B. No. 438

The purpose and intent of this measure is to require the Campaign Spending Commission to publish on its website the names of all noncandidate committees, in addition to the names of all candidate committees, that have failed to file a report or correct a report within a certain time permitted by the Commission.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that existing law requires the Campaign Spending Commission to publish on its website the names of all candidate committees that have failed to file a report or correct a report. This measure includes within that law the publishing of the names of noncandidate committees to increase transparency and allow the public access to that information.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 438 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. 592 Judiciary and Labor on S.B. No. 1271

The purpose and intent of this measure is to propose a constitutional amendment to allow citizens who are seventeen years of age but will be eighteen years of age on or before the next state or local general election to vote at the state or local primary election immediately preceding the state or local general election by which the citizen will attain the age of eighteen.

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.

Your Committee finds that Hawaii has one of the lowest voter turnout rates in the nation. By granting voting rights to certain individuals to participate in the voting process for state and local elections, this constitutional amendment may assist in improving voter turnout and educating youths about the democratic process.

Your Committee notes the concerns raised by the Department of the Attorney General regarding the durational residency requirement in this constitutional amendment. According to the Department, a durational residency requirement has been struck down as a violation of the federal Equal Protection Clause and deemed unconstitutional. The Department suggested language that repealed the durational residency requirement of being a state resident of not less than one year immediately preceding the next state or local general election for individuals who have not attained the age of eighteen under certain circumstances. Your Committee further notes that the same durational residency requirement already exists for individuals who have attained the age of eighteen under article II, section 1, of the Hawaii State Constitution and believes this issue merits further discussion as this constitutional amendment moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1271 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 593 Judiciary and Labor on S.B. No. 1218

The purpose and intent of this measure is to amend various provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii for the purposes of correcting errors and references, clarifying language, and deleting obsolete or unnecessary provisions.

Your Committee received testimony in support of this measure from the Legislative Reference Bureau. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that this statutory revision measure is submitted by the Legislative Reference Bureau pursuant to chapter 23G, Hawaii Revised Statutes. All of the statutory amendments proposed by this measure are intended to be technical in nature to correct errors, omissions, or obsolete laws. Your Committee also notes that this measure was reviewed by the Attorney General prior to its submission to the Legislature. A memorandum explaining the proposed amendments was submitted as part of the testimony of the Legislative Reference Bureau.

Your Committee notes that the Department of Taxation recommended in its comments to section 44 of the measure that the amended references to “sections 235-61 to 235-69” in section 235-61(a) and (e), Hawaii Revised Statutes, be restored to “sections 235-61 to 235-67.” Your Committee further notes that the amendments in Senate Bill No. 934 to sections 87A-34 and 87A-36, Hawaii Revised Statutes, are housekeeping in nature and thus would be appropriate for inclusion in this measure.

Accordingly, your Committee has amended this measure by:

- (1) Amending section 235-61(a) and (e), Hawaii Revised Statutes, in section 44 of the measure, by changing the amended references to “sections 235-61 to 235-69” back to “sections 235-61 to 235-67”;
- (2) Adding the amendments to sections 87A-34 and 87A-36, Hawaii Revised Statutes, from Senate Bill No. 934; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1218, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1218, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 594 Judiciary and Labor on S.B. No. 336

The purpose and intent of this measure is to exclude from the definitions of “advertisement” and “electioneering communications” clothing or other attire with a candidate’s name on it that is not directly associated with that candidate’s campaign committee.

Your Committee received testimony in support of this measure from the Campaign Spending Commission.

Your Committee finds that existing law excludes sundry items as an advertisement that is subject to campaign advertisement and communication requirements. The Campaign Spending Commission indicated in its written testimony that the Commission considers clothing to be a sundry item and therefore already exempt from the definition of “advertisement”. Thus, this measure clarifies that clothing containing the name of a candidate is not subject to campaign advertisement or communication requirements.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 336, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 336, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 595 Judiciary and Labor on S.B. No. 445

The purpose and intent of this measure is to require the treasurer of a candidate or noncandidate committee to maintain itemized records showing the employer and occupation, in addition to the name and address, of each contributor making a contribution regardless of the amount.

Your Committee received testimony in support of this measure from the Campaign Spending Commission. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii.

Your Committee finds that this measure clarifies the record-keeping requirements for treasurers of candidate and noncandidate committees.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Campaign Spending Commission that:
 - (A) Reinstates language to require the treasurer of a candidate or noncandidate committee to maintain itemized records showing the name and address of each contributor, but for all contributions regardless of the amount; and
 - (B) Requires that the information regarding the employer and occupation of the contributors be collected and maintained for a candidate committee or noncandidate committee for the purposes of reporting certain required information on each candidate committee's or noncandidate committee's schedules; and
- (2) Inserting an effective date of January 7, 2059, 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. 445, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 445, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 596 Judiciary and Labor on S.B. No. 859

The purpose and intent of this measure is to:

- (1) Allow an employee to have a chaperone present during the medical examination relating to a work injury under workers' compensation;
- (2) Allow an employee to use a recording device during the medical examination;
- (3) Clarify that the employee has a right to have a duly qualified physician or duly qualified surgeon present at the medical examination; and
- (4) Define "duly qualified physician" and "duly qualified surgeon".

Your Committee received testimony in support of this measure from the ILWU Local 142; Hawaii Injured Workers Association; International Brotherhood of Electrical Workers Local Union 1260, AFL-CIO; and nine individuals. Your Committee received testimony in opposition to this measure from the Department of Human Resources, City and County of Honolulu; Hawaii Insurers Council; National Association of Mutual Insurance Companies; Property Casualty Insurers Association of America; Brewer Consulting Services, Inc.; and seven individuals. Your Committee received comments on this measure from the Department of Human Resources Development and Department of Labor and Industrial Relations.

Your Committee finds that the workers' compensation system is often adversarial in nature as both employee and employer often choose doctors that are highly partisan to each respective side. Efforts to ensure that the independent medical examination physician is truly independent will serve to minimize or even eliminate negative perceptions about the examiner, providing greater assurance that the examination will be conducted fairly.

Your Committee has amended this measure by:

- (1) As recommended by the ILWU Local 142, providing that an employee shall have the right to use a recording device during the examination only when the examining physician or surgeon approves of the recording;
- (2) As recommended by the Department of Labor and Industrial Relations, deleting the definitions of "duly qualified physician" and "duly qualified surgeon";
- (3) Inserting an effective date of January 7, 2059, 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. 859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 859, 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 (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 597 Ways and Means on S.B. No. 722

The purpose and intent of this measure is to extend the deadline for the efficiency measures pilot project conducted under Act 67, Session Laws of Hawaii 2015.

Your Committee received testimony in support of this measure from the Office of the Auditor.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure extends the deadline for the report on the efficiency measures pilot project required under Act 67, Session Laws of Hawaii 2015 from twenty days prior to the convening of the “regular session of 2017” to the “regular session of 2019.” However, the Department of Budget and Finance submitted the report to the Legislature on December 30, 2016. Your Committee recognizes that the report raised certain concerns and recommended further discussion with the Legislature. Your Committee finds the concerns raised are valid and should be addressed, but that rather than engaging in further discussion, the pilot project should be recommenced with clearer expectations and objectives. Your Committee notes that the intent of this recommencing of the pilot project is to produce better data and a clearer determination of the benefits, appropriateness, and value of efficiency measures.

Your Committee has amended this measure by recommending the efficiency measures pilot project first established under Act 67, Session Laws of Hawaii 2015 (Act 67), with clearer expectations and objectives by:

- (1) Adding an amendment to section 2 of Act 67, to include two new terms, “direct cost” and “measure of effectiveness”, and amending the definition of “efficiency measure”;
- (2) Adding an amendment to section 3 of Act 67, to create a subsection (b) to clarify the intent of the recommended pilot project;
- (3) Adding an amendment to section 5 of Act 67 to require the Director of Finance to consult with the selected state department before submitting a report to the Legislature and adding additional requirements for the report, including a recommendation by the Department of Budget and Finance on whether to require the inclusion of efficiency measures for every state executive department in the budget documents;
- (5) Adding an amendment to section 8 of Act 67, to appropriate funds for fiscal years 2017-2018 and 2018-2019; and
- (6) Repealing sections 6 and 7 of Act 67.

As affirmed by the record of votes of the members of your Committee 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, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 722, 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, 1 (Galuteria).

SCRep. 598 Transportation and Energy on S.B. No. 389

The purpose and intent of this measure is to statutorily establish speed limits for Hawaii Route 3000 bypass, also known as the Lahaina bypass or the Honoapiilani Highway bypass.

Your Committee received testimony in support of this measure from the Maui Police Department. Your Committee received testimony in opposition to this measure from the Department of Transportation and one individual.

Your Committee finds that changing speed limits along the Lahaina bypass would encourage individuals to use the bypass, resulting in less traffic congestion along the main Honoapiilani Highway.

Your Committee further finds that the construction of the Hawaii Route 3000 bypass was proposed as a way to mitigate traffic congestion on the Honoapiilani Highway through Lahaina Town in West Maui. Construction of the highway was also seen as essential for the health and safety of residents, as Honoapiilani Highway was previously the only link between West Maui and Central Maui for residents, visitors, and, most importantly, emergency vehicles. The importance of the bypass has only grown since the project was first proposed due to the steady increase in Maui’s population.

As safety is a primary concern, your Committee would like to ensure that speed limits are not too high so as to encourage motorists to drive a speed that is beyond the driver’s experience level and which threatens the safety of all motorists and passengers.

As such, your Committee has amended this measure by:

- (1) Lowering the speed limits as follows:
 - (A) From fifty-five to forty-five miles per hour in the Mahinahina-bound direction from route milepost 1.92 through route milepost 3.26;
 - (B) From forty to thirty-five miles per hour in the Mahinahina-bound direction from route milepost 3.26 through Keawe Street;
 - (C) From forty to thirty-five miles per hour in the Wailuku-bound direction from Keawe Street through route milepost 3.26; and
 - (D) From fifty-five to forty-five miles per hour in the Wailuku-bound direction from route milepost 3.26 through route milepost 2.09; and
- (2) Making 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 389, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 389, 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 (Harimoto). Noes, none. Excused, 1 (Shimabukuro).

SCRep. 599 (Joint) Education and Judiciary and Labor on S.B. No. 49

The purpose and intent of this measure is to require the Department of Education to collaborate with the Workforce Development Council on workforce development initiatives.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii State Teachers Association, and Society for Human Resource Management Hawaii. Your Committees received comments on this measure from the Department of Education and Workforce Development Council.

Your Committees find that a gap in skills and credentials exists between the needs of employers in the State and the local workforce, including graduates of Hawaii's public schools. Your Committees further find that, if educators are not aware of the needs of local employers, they cannot adequately equip students with the skills that they will need to take advantage of employment opportunities. This measure will create initiatives that will empower teachers and education professionals to ensure that Hawaii's students have the skills that local employers are looking for in new employees.

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. 49, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Rhoads).

SCRep. 600 Commerce, Consumer Protection, and Health on S.B. No. 202

The purpose and intent of this measure is to:

- (1) Establish specific quorum and voting requirements for service area boards on mental health and substance abuse; and
- (2) Establish service area boards on mental health and substance abuse within the Department of Health for administrative purposes.

Your Committee received testimony in support of this measure from the Department of Health and two individuals.

Your Committee finds that it is important that service area boards on mental health and substance abuse are able to deliberate and make decisions on issues affecting each county. According to the Department of Health, many of the service area boards face challenges holding meetings due to lack of quorum, and only one board was able to hold official meetings during fiscal year 2016. Your Committee further finds that defining quorum based on the number of currently appointed members present immediately before a meeting instead of based on the number of members to which each board is entitled will better enable service area boards to meet quorum requirements.

Your Committee requests that the Department of Health make all available efforts to recruit members for the service area boards on mental health and substance abuse so that the boards are able to carry out their purpose of advising service area administrators about service area needs to prevent and treat mental or emotional disorders, combined mental illness substance abuse disorders, and persons afflicted by these disorders.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202 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; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Ruderman).

SCRep. 601 Commerce, Consumer Protection, and Health on S.B. No. 373

The purpose and intent of this measure is to clarify that acute care hospitals are covered under the State's clean claims statute.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Kaiser Permanente Hawaii, Hawaii Health Systems Corporation, The Queen's Health Systems, Hawai'i Pacific Health, and Legacy of Life Hawai'i.

Your Committee finds that under the State's existing clean claims statute, health plans must pay providers within thirty days for uncontested or clean claims submitted in writing and within fifteen days for clean claims submitted electronically.

However, your Committee further finds that revisions made to the clean claims statute in 2015 unintentionally created ambiguity regarding which types of providers are covered by this statute. This measure clarifies the definition of "health care facility" within the clean claims statute, which will clarify the intent of the clean claims law and ensure that acute care hospitals are paid in a timely fashion when uncontested or clean claims are submitted.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.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, 2 (Kidani, Ruderman).

SCRep. 602 Commerce, Consumer Protection, and Health on S.B. No. 609

The purpose and intent of this measure is to require that peer reviews performed on public accounting firms are performed in accordance with the entirety of the Statements on Standards for Attestation Engagements adopted by the American Institute of Certified Public Accountants.

Your Committee received testimony in support of this measure from the Board of Public Accountancy.

Your Committee finds that the Board of Public Accountancy's Peer Review Program encompasses the framework and implementation guidelines of the peer review program of the American Institution of Certified Public Accountants (AICPA). The Board has adopted the Statements on Standards for Attestation Engagements of the AICPA (AICPA Standards) as the benchmark for the evaluation and peer review of the provision of attestation services by Certified Public Accountants and Certified Public Accountant firms and requires all licensees under its jurisdiction to adhere to these AICPA Standards when performing engagements that require the provision of attestation services.

This measure deletes the specific reference to AT section 201 of the AICPA Standards to instead require that peer review procedures be subject to all of the AICPA Standards, which will enable the Board to make references to the pertinent sections of the AICPA Standards as needed.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 609 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 (Kidani, Ruderman).

SCRep. 603 Commerce, Consumer Protection, and Health on S.B. No. 1171

The purpose and intent of this measure is to identify the circumstances in which the State has a compelling interest in the use and disclosure of de-identified protected health information under the Health Care Privacy Harmonization Act.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Chamber of Commerce Hawaii, Hawai'i Pacific Health, and The Queen's Health Systems. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that there are situations in which the State has a compelling interest in the use and disclosure of de-identified protected health information. Your Committee further finds that medical and economic research, patient protection, public safety, and the proper operation of medical and healthcare facilities are areas in which a compelling interest may arise for the use of de-identified protected health information. Your Committee notes that it is important for use of de-identified protected health information to be consistent with federal regulations.

Your Committee has amended this measure by:

- (1) Clarifying that for the State to have a compelling interest in the public and private disclosure, use, and production of de-identified protected health information, the information must be de-identified pursuant to title 45 Code of Federal Regulations part 164;
- (2) Inserting language to provide examples of when the State shall have a compelling interest in the use of de-identified protected health information; 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, Consumer Protection, and Health 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, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 604 Commerce, Consumer Protection, and Health on S.B. No. 371

The purpose and intent of this measure is to:

- (1) Change the name of the Board of Dental Examiners to the Board of Dentistry and Dental Hygiene;
- (2) Beginning on July 1, 2018, change the board composition by increasing dental hygienist representation and ensuring Oahu and neighbor island representation among dental hygienist members;
- (3) Allow neighbor island board members to attend meetings via teleconference; and
- (4) Require the board to develop conflict of interest policies for board member participation with dental examination companies and submit a report on the status of the policy to the Legislature prior to the 2018 Regular Session.

Your Committee received testimony in support of this measure from the Hawaii Dental Hygienists' Association, Kona Coast Dental Care, and eighteen individuals. Your Committee received testimony in opposition to this measure from the Hawaii Dental Association, Princeville Dental LLC, and forty-six individuals. Your Committee received comments on this measure from the Board of Dental Examiners and Office of Information Practices.

Your Committee finds that although the original purpose of the Board of Dental Examiners was to act as a pool of dental examiners, the board's present function has moved beyond merely conducting licensing exams. The board is now more regulatory in nature, as it

encompasses the regulation of dentistry, under chapter 448, Hawaii Revised Statutes, and dental hygienists, under chapter 447, Hawaii Revised Statutes. Accordingly, since the board governs two professions, it is logical to amend the name of the board to the Board of Dentistry and Dental Hygiene, which accurately reflects the professions the board oversees.

Your Committee further finds that there are currently twelve members on the board. Eight of these members are practicing dentists, while only two members are dental hygienists. This unequal representation may result in the dental hygienists' views not being reflected in the board's actions. Accordingly, this measure amends the board's composition to add additional dental hygienist members, including dental hygienist members from the neighbor islands, which will ensure that the unique and valuable perspective of dental hygienists and those hygienists located throughout the State are more adequately represented.

Your Committee notes that this measure also requires one member of the board who is a practicing dentist to have a background in public health dentistry. However, your Committee has heard testimony that this requirement may make it more difficult to fill this position on the board. Your Committee understands these concerns and concludes amendments to this measure are necessary.

Your Committee has amended this measure by:

- (1) Clarifying that a background in public health dentistry is simply a desirable qualification, rather than a mandatory requirement, for at least one member of the Board who is a practicing dentist;
- (2) Deleting language that would have allowed neighbor island board members to attend meetings via teleconference, as board members are already able to attend board meetings via teleconference or other forms of interactive technology pursuant to the State's Sunshine Law;
- (3) Deleting language that would have required the board to develop conflict of interest policies and submit a report to the Legislature, as the board indicated it has existing procedures in place to avoid possible conflicts of interest; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 371, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 371, 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 (Kidani, Ruderman).

SCRep. 605 Commerce, Consumer Protection, and Health on S.B. No. 344

The purpose and intent of this measure is to:

- (1) Clarify the allowable and prohibited practices requirements for dental assistants; and
- (2) Prohibit persons from employing, directing, or ordering a dental assistant or other person to perform services or procedures within the scope of practice of dental hygiene.

Your Committee received testimony in support of this measure from the Hawaii Dental Hygienists' Association and eighteen individuals. Your Committee received testimony in opposition to this measure from the Board of Dental Examiners, Hawaii Dental Association, and thirty-eight individuals.

Your Committee finds that licensed and registered dentists are permitted under existing law to employ auxiliary personnel, known as dental assistants, to assist a dentist in the dentist's practice. Like dental hygienists, dental assistants are a valuable part of a dental team, and each team member plays a critical role in the execution of outstanding patient care. However, existing law does not currently contain licensure or educational requirements or standardized training for dental assistants. It is therefore not appropriate for dental assistants to be expected or required to perform duties, activities, or functions that, if performed by a dental hygienist, would require licensure.

Your Committee notes that it is the Legislature who determines duty and scope of practice for licensed professionals in the State. Therefore, your Committee does not believe it is appropriate for the Board of Dental Examiners to adopt rules that attempt to circumvent or infringe upon the legislatively-determined parameters regarding duty and scope of practice for other licensed professionals within the Board's purview. Thus, your Committee emphasizes that if the Board desires to change the scope of practice for auxiliary personnel, the Board must approach the Legislature to request such a change.

Your Committee has amended this measure by:

- (1) Clarifying that additional duties of dental assistants and regulatory directives may be delineated by rule; provided that those rules shall not infringe upon, overlap with, or conflict with the duties and scope of practice for any other licensed professional; and
- (2) Updating the purpose section.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 344, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 344, 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 (Kidani, Ruderman).

SCRep. 606 Commerce, Consumer Protection, and Health on S.B. No. 952

The purpose and intent of this measure is to:

- (1) Provide the Insurance Commissioner with express prior approval authority over long-term care insurance rates; and
- (2) Make housekeeping amendments.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure clarifies that the Insurance Commissioner has express prior approval authority over long-term care insurance rates, which ensures that consumers are not being charged excessive rates for long-term care insurance, while also maintaining a fair marketplace for insurers.

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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 952, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 952, 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 (Kidani, Ruderman).

SCRep. 607 (Joint) Commerce, Consumer Protection, and Health and Transportation and Energy on S.B. No. 376

The purpose and intent of this measure is to repeal chapter 269, part VIII, Hawaii Revised Statutes, relating to the interisland transmission system.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i, Friends of Lana'i, and Life of the Land. Your Committees received testimony in opposition to this measure from Ulupono Initiative and one individual. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs; Department of Business, Economic Development, and Tourism; and Public Utilities Commission.

Your Committees find that in 2012, the Legislature established a regulatory structure under which interisland undersea transmission cables could be developed, financed, and constructed. Your Committees further find that the current priorities of the Legislature and the electric utility companies do not include an interisland transmission system. Your Committees recognize that there is an existing regulatory proceeding regarding the issue that is intended to solicit information and evaluate whether an undersea transmission cable may be in the public interest, however your Committees find that it is more appropriate to remove references to the interisland transmission system from state law until an agreement on such a system can be reached.

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, Consumer Protection, and Health and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 376, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 376, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Kidani, Nishihara, Ruderman).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 608 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 340

The purpose and intent of this measure is to require the counties to incorporate urban agriculture principles and policies in land use planning and to allow urban agriculture as a residential use in a residentially designated zone.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau, Hawaii Farmers Union United, EcoTipping Points Project, Pulama Lana'i, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Planning and Permitting, City and County of Honolulu; and Planning Department, County of Hawai'i. Your Committees received comments on this measure from the Department of Agriculture and two individuals.

Your Committees find that supporting agricultural development, in a variety of forms, is essential for the future health and well-being of the State. Urban agriculture is a type of agriculture that focuses on the cultivating, processing, and distributing of food in or around urban areas. Supporting urban agriculture will help the State achieve greater self-sustainability. Moreover, urban agriculture can make effective agricultural use of typically smaller land areas that would otherwise not contribute to local food production. Given the State's limited agricultural lands and its ever-growing urban centers, it is essential that the counties plan for and allow urban agriculture.

Your Committees, however, note the concerns raised in written testimony regarding the measure's overly broad definition of "urban agriculture" and the limitations created on the counties' abilities to effectively manage urban agriculture in residential areas. Accordingly, your Committees have amended this measure by:

- (1) Removing all language:
 - (A) Establishing "urban agriculture" as a residential use of property; and
 - (B) Defining "urban 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 Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 340, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 340, 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 (Wakai).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Riviere, Ruderman).

SCRep. 609 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.B. No. 555

The purpose and intent of this measure is to prohibit the issuance of new building permits unless it is established that the building will be furnished with equipment allowing for the collection and use of gray water, except where the permit applicant can show that compliance with the requirement is impractical.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the Mayor, County of Maui; BIA Hawaii; and one individual. Your Committees received comments on this measure from the Hawaii Farm Bureau and one individual.

Your Committees find that the conservation of water resources is vital to the future health of the State. So-called "gray water" is one of the largest sources of water waste. Gray water is gently used, relatively clean water from sinks, showers, tubs, washing machines, and other kitchen appliances. Gray water, when properly captured, can be effectively used for various purposes. Accordingly, your Committees find that requiring newly constructed buildings to have equipment capable of capturing gray water for future use, except where impractical, will conserve valuable water resources and position the State for future sustainability.

Your Committees have amended this measure by:

- (1) Expanding the requirements for collection of gray water to include all future uses; and
- (2) Changing the effective date to January 1, 2020.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 555, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 555, 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; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Wakai).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Riviere, Ruderman).

SCRep. 610 Commerce, Consumer Protection, and Health on S.B. No. 343

The purpose and intent of this measure is to allow applicants for licensure by the Board of Dental Examiners to take clinical examinations that are substantially similar to the American Board of Dental Examiners examination or meet certain other professional qualifications.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Hawaii Dental Association and sixty-two individuals. Your Committee received comments on this measure from the Board of Dental Examiners and one individual.

Your Committee finds that the existing law that requires passage of the American Board of Dental Examiners (ADEX) examination for licensure as a dentist in the State was originally enacted to allow Hawaii to participate in a standardized national examination process. Since this law was enacted, limiting the approved examination to only the ADEX examination has created many difficulties for dentists seeking to obtain licensure in Hawaii. For example, your Committee finds that this law impacts dentists who may have gone to dental school on the mainland - as your Committee notes that the State lacks a school of dentistry - and practiced on the mainland for a number of years, but still maintained close ties with Hawaii. The existing law creates a burden for these licensed dentists who may wish to relocate and practice dentistry in this State.

Your Committee has heard the testimony that some states license dentists through additional education requirements, without the need for passage of a clinical examination. However, your Committee notes that the ADEX examination is not the only nationally recognized clinical dental examination that a dentist may take. Nevertheless, your Committee recognizes the concerns raised in testimony and concludes that amendments to this measure are needed that ensure the qualifications for dental licensure in Hawaii do not remain so rigid as to unreasonably exclude otherwise competent out-of-state licensed dentists, while also maintaining appropriate consumer protection.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that an applicant for dental licensure shall take and pass the ADEX examination or any other nationally recognized clinical dental examination recommended by the American Dental Association, rather than any substantively similar examination;
- (2) Clarifying that the other qualifications for licensure, applicable to applicants who are practicing dentists, include graduation from an accredited school of dentistry and holding a license to practice dentistry in another state whose licensing requirements include passage of the ADEX examination, its predecessor examination, or another nationally recognized, substantially equivalent examination recommended by the American Dental Association;

- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 343, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 343, 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 (Ihara, Kidani, Ruderman).

SCRep. 611 Ways and Means on S.B. No. 1006

The purpose and intent of this measure is to eliminate a loophole that allows a nonresident decedent to avoid estate and generation-skipping transfer taxes by using a single member limited liability company to hold title to real property located in the State.

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 when Hawaii real property is placed into a single member limited liability company and a nonresident decedent transfers ownership of the company to a beneficiary upon death, the Hawaii estate tax does not apply because the decedent did not directly own the real property. This measure closes that tax law loophole by specifying that, if Hawaii real property is held by a single member limited liability company that is solely owned by a nonresident decedent, that company will be disregarded for estate tax purposes and the tax will apply as if the nonresident decedent owned the property directly.

Your Committee notes that the Department of Taxation has indicated that the effect of this measure on state revenues has yet to be determined. Your Committee finds that these revenue impacts should be established before the Legislature takes final action on this measure.

Accordingly, your Committee has amended this measure by:

- (1) Changing the effective date to January 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. 1006, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1006, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Harimoto, Wakai).

SCRep. 612 (Joint) Public Safety, Intergovernmental, and Military Affairs and Economic Development, Tourism, and Technology on S.B. No. 901

The purpose and intent of this measure is to eliminate the requirement that the Governor appoint committee members representing the county economic development boards and the University of Hawaii to the Aerospace Advisory Committee and to instead require those members to be selected directly by the entities they are to represent on the Committee.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the Aerospace Advisory Committee within the Office of Aerospace Development of the Department of Business, Economic Development, and Tourism is an effective committee for advising and assisting the Legislature and other state agencies in monitoring, assessing, and promoting aerospace development in the State. Currently, all members of the Aerospace Advisory Committee are appointed by the Governor and subject to the advice and consent of the Senate. However, the Advisory Committee would benefit from simpler and more expeditious appointment procedures for its members. Accordingly, this measure allows county economic development boards and the University of Hawaii to select members to represent them on the Advisory Committee while retaining the Governor's authority to appoint, and the Senate's authority to confirm certain members from the aerospace industry to the Advisory Committee.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 901 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, 4. Noes, none. Excused, 1 (Ihara).
Economic Development, Tourism, and Technology: Ayes, 4. Noes, none. Excused, 1 (Galuteria).

SCRep. 613 (Joint) Judiciary and Labor and Commerce, Consumer Protection, and Health on S.B. No. 984

The purpose and intent of this measure is to amend the definition of "physician" under workers' compensation law to include an advanced practice registered nurse.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Board of Nursing, Hawai'i State Center for Nursing, American Organization of Nurse Executives Hawaii, Hawaii Association of Professional Nurses, ILWU Local 142, and thirteen individuals.

Your Committees find that advanced practice registered nurses provide a wide variety of health care services to people in Hawaii. Section 323-3, Hawaii Revised Statutes, requires each hospital within the State to allow advanced practice registered nurses to practice within the full scope of their practice, including as primary care providers. Advanced practice registered nurses are also recognized as participating primary health care providers for insurance purposes under the State's insurance code.

Your Committees further find that Hawaii's workers' compensation law omits advanced practice registered nurses from the definition of physician. The outdated definition must be amended to authorize increased participation by advanced practice registered nurses and recognize appropriately trained advanced practice registered nurses as primary care providers. Authorizing increased participation by advanced practice registered nurses in the workers' compensation system will enable improved access to health care services, expedite the processing of paperwork, and provide optimal care at the initial point of access for injured workers, especially in rural and underserved areas.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 984 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.

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 614 Judiciary and Labor on S.B. No. 251

The purpose and intent of this measure is to exempt candidates who are already declared elected to office after running unopposed in an election or who would be unopposed in the general election from the prohibition on using election campaign funds to make charitable donations or to award scholarships during a certain period of time prior to the general election.

Your Committee received testimony in opposition to this measure from Common Cause Hawaii. Your Committee received comments on this measure from the Campaign Spending Commission.

Your Committee finds that candidates are prohibited from using campaign funds for certain purposes, such as making charitable donations and awarding scholarships, from the filing of nomination papers to the general election, presumably because these uses may be interpreted as attempts to buy votes. This measure provides candidates who become elected to office prior to a general election the opportunity to use campaign funds for purposes of making charitable donations or awarding scholarships, as they no longer need to acquire votes to prevail in the general election.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 251, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 251, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 615 Judiciary and Labor on S.B. No. 98

The purpose and intent of this measure is to raise the District Court's jurisdictional limit for civil actions involving specific performance.

Your Committee received testimony in support of this measure from the Judiciary and Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that this measure corrects an inconsistency under section 604-5, Hawaii Revised Statutes, in order to align the District Court's jurisdictional limit for civil actions involving specific performance with the District Court's overall jurisdictional limit of \$40,000 for civil actions.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 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, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 616 Judiciary and Labor on S.B. No. 339

The purpose and intent of this measure is to authorize all class B and class C felony charges to be instituted by written information subject to specified exceptions.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Office of the Prosecuting Attorney, County of Kaua'i; Department of the Prosecuting Attorney, County of Maui; and Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that existing law enumerates fourteen class B felonies and ninety-four class C felonies that may be instituted by written information. Each time a new offense is created or added to the list of offenses that may be chargeable by written information, section 806-83, Hawaii Revised Statutes (HRS), must be amended to reflect this addition. By specifying certain offenses that shall not be, rather than listing offenses that may be, instituted by written information, this measure creates greater efficiency in implementing the written information charging law.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General that:
 - (A) Clarifies that criminal charges may be instituted by written information for a felony when the charge is under section 329-46, HRS, and the comparable offense under part IV of chapter 712, HRS, is a class B or class C felony not enumerated in section 806-83(a) or (b), HRS, excluding the reference to section 806-83(c), HRS, as that subsection does not include a drug offense; and
 - (B) Specifies that a criminal charge may be instituted by written information for a felony when the underlying offense is an offense not listed in section 806-83(a) or (b), HRS, or an offense specified in section 806-83(c) or (d), HRS, to distinguish between the offenses enumerated in subsections (a) and (b), which are excluded from written information charging, and the offenses enumerated or described in subsections (c) and (d), which may be charged by written information;
- (2) Inserting an effective date of January 7, 2059, 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. 339, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 339, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 617 Judiciary and Labor on S.B. No. 442

The purpose and intent of this measure is to provide that the period of limitation for a prosecution under the law relating to falsifying a campaign spending report shall commence upon discovery of the alleged offense by the Campaign Spending Commission.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, in general, prosecution of crimes involving fraud or deception begins after the discovery of the offense by an aggrieved party and the Campaign Spending Commission has completed an investigation and referred the case to the prosecutors. This measure begins the period of limitation for a prosecution of falsifying campaign spending report upon the discovery of the alleged offense by the Campaign Spending Commission, rather than upon commission of the crime.

Your Committee has amended this measure by:

- (1) Specifying that the period of limitation for a prosecution of falsifying a campaign spending report shall commence pursuant to section 11-412(b), rather than section 11-412, Hawaii Revised Statutes; and
- (2) Inserting an effective date of January 7, 2059, 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. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 618 Judiciary and Labor on S.B. No. 478

The purpose and intent of this measure is to allow a member of a board to provide other members of the board any government records for which disclosure is required by section 92F-12, Hawaii Revised Statutes, provided that no commitment relating to a vote on the matter is made or sought and no additional discussion other than a statement describing the record and the issue related to the government record is included in the transmittal.

Your Committee received testimony in support of this measure from the County Council of the County of Maui. Your Committee received testimony in opposition to this measure from the Office of Information Practices and League of Women Voters of Hawaii. Your Committee received comments on this measure from The Civil Beat Law Center for the Public Interest and Common Cause Hawaii.

Your Committee finds that the Hawaii Supreme Court held in *Kanahele v. Maui County Council*, 130 Haw. 228 (2013), that memoranda or transmittals circulated among members of a public board subject to the Sunshine Law were not permitted interactions under section 92-2.5, Hawaii Revised Statutes (HRS). As a result, public board members are prevented from transmitting government records to each other related to board business. This measure includes such transmittals as a permitted interaction between public board members as long as the transmittals do not include a commitment to vote on a matter to be considered by the board or request for a commitment and no additional discussion other than a statement describing the record and the issue related to the government record is included in the transmittal.

Your Committee notes the concerns raised in written testimony submitted by the Office of Information Practices that the scope of government records that are allowed to be circulated may be too broad, and suggests limiting the scope of applicability to include government records under section 92F-12(a), HRS. Your Committee further notes the written comments submitted by The Civil Beat Law Center for the Public Interest that the scope of the government records that are allowed to be circulated between board members should be expanded to include all government records that are open to public inspection, provided that appropriate protections are in place for public access to monitor board communications.

Accordingly, your Committee has amended this measure by:

- (1) Adopting language suggested by The Civil Beat Law Center for the Public Interest that:
 - (A) Clarifies that the government records that may be provided by a member of a board to other members of the board are government records that are open to public inspection, rather than subject to section 92F-12, Hawaii Revised Statutes;
 - (B) Requires that the board member not express a position relating to a matter of official board business in the government record or transmittal, except for a neutral statement in the transmittal;
 - (C) Upon providing the government record to other members of the board, requires the transmittal and government record to be filed in the board's office; and
 - (D) Clarifies that these requirements regarding the circulation of a government record from a board member to other members of the board apply only when the board's last notice identifies where the members of the public may obtain copies of the government record in person;
- (2) Inserting an effective date of January 7, 2059, 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. 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, none. Excused, 1 (Gabbard).

SCRep. 619 Judiciary and Labor on S.B. No. 675

The purpose and intent of this measure is to clarify that Hawaii's Anti-Discrimination Law does not prohibit or prevent an employer from refusing to hire or refer or discharging an employee for reasons unrelated to discriminatory practices, unequal pay, criminal conviction records, and credit history.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Society for Human Resource Management-Hawaii Chapter, and one individual. Your Committee received testimony in opposition to this measure from the Hawai'i Civil Rights Commission; Hawaii State Commission on the Status of Women; LGBT Caucus of the Democratic Party of Hawai'i; ILWU Local 142; Fujiwara & Rosenbaum, LLC; and one individual.

Your Committee finds that the employment practices laws under sections 378-2, 378-2.3, 378-2.5, and 378-2.7, Hawaii Revised Statutes, relate respectively to discriminatory practices, unequal pay, criminal conviction records, and credit history. Your Committee further finds that these sections prohibit employment discrimination against individuals based upon protected categories, but were not intended to prevent employers from taking employment action for reasons unrelated to the categories protected in those sections.

Your Committee is concerned that this measure, as introduced, may result in unintended consequences and believes that discussion should continue as this measure moves forward to ensure the amendments to the Hawaii Revised Statutes align with the measure's intent.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that Hawaii's Anti-Discrimination Law does not prohibit or prevent an employer from refusing to hire or refer or discharging an employee pursuant to an employee agreement policy that is applied in a nondiscriminatory fashion; and
- (2) Inserting an effective date of January 7, 2059, 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. 675, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 675, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Kim). Noes, none. Excused, 1 (Gabbard).

SCRep. 620 Judiciary and Labor on S.B. No. 892

The purpose and intent of this measure is to:

- (1) Require the Hawaii Criminal Justice Data Center to include in a fingerprint-based state criminal history record check an indication of the applicant's, employee's, or volunteer's requirement to register as a covered offender pursuant to sex offender registration laws;
- (2) Allow covered offender registration information to be disclosed to criminal justice agencies, rather than law enforcement agencies, for the administration of criminal justice and covered offender registration, rather than law enforcement, purposes; and

- (3) Require an indication regarding a covered offender's requirement to register as a covered offender pursuant to sex offender registration laws to be disclosed to agencies and entities conducting confidential fingerprint-based state and national criminal history record checks, provided that this indication does not include the disclosure of confidential covered offender registration information.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Police Department, City and County of Honolulu.

Your Committee finds that existing law authorizes certain government agencies to conduct fingerprint-based state and national criminal history records checks for the purposes of determining the suitability or fitness of applicants for employment, licensure, permits, or volunteer services. This measure allows the Hawaii Criminal Justice Data Center access to covered offender registration information to inform authorized government agencies whether the submitted fingerprints for a state criminal history check match the fingerprints of a registered covered offender.

Your Committee has amended this measure by:

- (1) Clarifying that an indication of an obligation to register as a covered offender pursuant to chapter 846E, Hawaii Revised Statutes, pertains to the applicant's, employee's, or volunteer's current obligation, if any, rather than requirement, to register;
- (2) Inserting an effective date of January 7, 2059, 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. 892, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 892, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 621 Judiciary and Labor on S.B. No. 1062

The purpose and intent of this measure is to require, rather than authorize, the Family Court to terminate parental rights if the court determines by clear and convincing evidence that the natural parent committed sexual assault of the other natural parent and the child was conceived as a result of the sexual assault by the parent, provided that certain conditions are met.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii State Coalition Against Domestic Violence, Women's Caucus of the Democratic Party of Hawai'i, Planned Parenthood Votes Northwest and Hawaii, American Association of University Women of Hawaii, Hawaii Women's Coalition, The Sex Abuse Treatment Center, and four individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the impact of sexual violence is significant. Survivors face not only emotional trauma, but also significant physical consequences, including pregnancy. According to The Sex Abuse Treatment Center, a study found that approximately five percent of sexual assaults resulted in pregnancy, which translates to approximately thirty-two thousand sexual assault-related pregnancies each year in the United States.

Your Committee further finds that existing law authorizes the court to terminate parental rights upon a finding by clear and convincing evidence that the natural parent committed sexual assault of the other natural parent and the child was conceived as a result of the sexual assault by the parent. This measure requires, rather than authorizes, the Family Court to terminate parental rights if the court makes such a finding.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Department of the Attorney General that requires the court to make a finding that termination of parental rights is in the best interests of the child;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1062, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1062, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 622 Commerce, Consumer Protection, and Health on S.B. No. 739

The purpose and intent of this measure is to expand treatment capacity of behavior analysis services by allowing individuals with certain certifications and under supervision to implement behavior analysis services.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities; Behavioral Intervention Certification Council; Hawai'i Psychological Association; Hawaii Association of Marriage and Family Therapists; Center for Autism and Related Disorders; Autism Behavior Services, Inc.; and sixty individuals. Your Committee received testimony in opposition to this measure from the Association of Professional Behavior Analysts, Hawai'i Association for Behavior Analysis, Hawaii Disability Rights Center, Autism Society of Hawaii, Hawaii State Teachers Association, and over one hundred eighty individuals. Your Committee received comments on this measure from the Department of Health, Professional and Vocational Licensing Division of the

Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Qualified Applied Behavior Analysis Credentialing Board, Lovaas Institute, and one individual.

Your Committee finds that applied behavior analysis is a well-established framework for the treatment of autism spectrum disorder. Research has shown that intensive, early applied behavior analysis intervention before the age of six is critical for the future of children with autism. Your Committee further finds that section 465D-7, Hawaii Revised Statutes, expressly states that the existing law regulating behavior analysts is not intended to restrict the practice of other licensed or credentialed practitioners practicing within their own recognized scopes of practice. However, according to testimony received by your Committee, the law has been interpreted in a way that prohibits students and psychological assistants, who are under the supervision of a licensed psychologist, to provide behavioral interventions. Your Committee has also heard testimony that the certifying agency for behavior analysts in Hawaii requires psychologists to be board certified in behavioral and cognitive psychology by the American Board of Professional Psychology, a board certification that has not been widely adopted by psychologists, and tested in applied behavior analysis. In effect, this has restricted the ability of licensed psychologists to supervise individuals who implement applied behavior analysis services.

Your Committee additionally finds that limiting the ability of otherwise qualified professionals, acting within their scope of practice, to provide and supervise applied behavior analysis unnecessarily restricts access to these licensed professionals and the individuals working under their supervision. Your Committee notes that the scope of practice for psychologists under chapter 465, Hawaii Revised Statutes, expressly includes behavior analysis and therapy. The scope of practice for psychologists also recognizes the ability of psychologists to supervise others. Amendments to this measure are therefore necessary to clarify that psychologists' scope of practice includes the supervision of behavioral interventions.

Your Committee also finds that existing law exempts a family member or legal guardian from the licensing requirements when these individuals are implementing an applied behavior analysis plan under the direction of a licensed behavior analyst. However, this exemption does not expressly exempt caregivers, who may have individuals living in their homes, from the licensing or certification requirement. Your Committee has also heard testimony expressing concern that existing law includes teachers in the definition of "direct support worker", and although some teachers are certified to perform behavioral analysis, the majority are not certified or licensed to do so. Finally, your Committee notes that the definition of "practice of behavior analysis" under chapter 465D, Hawaii Revised Statutes, is broadly defined, which has implications for even simple behavioral interventions that are routinely implemented for individuals with intellectual and developmental disabilities. Amendments to address these concerns are therefore needed.

Accordingly, your Committee has amended this measure by:

- (1) Amending the definition of "practice of behavior analysis" to exclude certain behavioral techniques used solely as treatment modalities;
- (2) Clarifying the exemptions from the licensure requirements for the practice of behavior analysis, including:
 - (A) Exempting individuals supervised by a licensed professional working within that licensed professional's recognized scope of practice, when that scope of practice overlaps with the practice of behavior analysis, so long as the individual and licensed professional do not use the title "licensed behavior analyst" or "behavior analyst";
 - (B) Removing references to individuals who directly implement applied behavior analysis services and who are credentialed by the Behavioral Intervention Certification Council or Qualified Applied Behavior Analysis credentialing board;
 - (C) Requiring licensed or credentialed professionals to attest to and maintain responsibility for the training and qualifications of an individual who is providing supervised applied behavior analysis services;
 - (D) Removing a reference to a direct support worker being a teacher or paraprofessional who directly implements intervention or assessment plans under supervision; and
 - (E) Exempting from licensure a caregiver who implements an applied behavior analysis plan and acts under the direction of a licensed behavior analyst or licensed professional authorized to practice behavior analysis;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 739, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 739, 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 (Ihara, Kidani). Noes, none. Excused, 1 (Ruderman).

SCRep. 623 Commerce, Consumer Protection, and Health on S.B. No. 185

The purpose and intent of this measure is to require child care providers licensed or registered by the Department of Human Services to obtain and maintain liability insurance coverage beginning January 1, 2019.

Your Committee received testimony in support of this measure from fifty-six individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that since many parents must work full time, infant child care is essential for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Requiring all licensed or registered child care providers to obtain and maintain liability insurance coverage may bring

assurance to families who require child care services and allow opportunities for legal recourse for parents whose children are not properly cared for.

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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 185, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 185, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 624 Ways and Means on S.B. No. 888

The purpose and intent of this measure is to appropriate moneys to satisfy various claims against the State, its officers, or its employees.

Your Committee received written comments in support of this measure from the Department of the Attorney General.

Your Committee finds that that the State has a responsibility to promptly satisfy all claims against the State upon the resolution of those claims. Your Committee further finds that since this measure was last amended, the State has resolved two additional claims totaling \$95,837.00.

Your Committee has amended this measure by:

- (1) Inserting an appropriation in the amount of \$837.00 for a claim made by Jocelyn Valdez;
- (2) Inserting an appropriation in the amount of \$95,000.00 for a settlement in the case of Kawamura, et al. v. State of Hawaii, et al., Civil No. 11-1-0311, Fifth Circuit; and
- (3) Making a technical nonsubstantive change for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 888, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 888, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 625 Ways and Means on S.B. No. 245

The purpose and intent of this measure is to create a statutory requirement that government agencies exercise reasonable care in maintaining government records that are open to public inspection.

Your Committee received written comments in support of this measure from the Office of Information Practices.

Your Committee received written comments in opposition to this measure from the Department of the Corporation Counsel, City and County of Honolulu; and the Office of the County Attorney, County of Kauai.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism and the Department of Accounting and General Services.

Your Committee finds that in *Molfino v. Yuen*, 134 Hawaii 181 (2014), the Supreme Court of the State of Hawaii held that neither common law nor chapter 92F, Hawaii Revised Statutes, impose a duty to act with reasonable care with respect to maintaining government records for the purpose of public inspection. Your Committee believes that establishing a statutory requirement of reasonable care is the appropriate response to this holding.

Your Committee has amended this measure by:

- (1) Inserting a savings clause to ensure that the new duty imposed by this measure applies only prospectively;
- (2) Changing the effective date to January 1, 2019; and
- (3) Making a technical nonsubstantive change 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. 245, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 245, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Shimabukuro, Wakai).

SCRep. 626 Ways and Means on S.B. No. 320

The purpose and intent of this measure is to require the collection of buccal swab samples and print impressions of each hand, and DNA samples as provided by law or rule, from persons who have completed their criminal sentences and are no longer confined, in custody, or under parole or probation supervision, or are otherwise discharged from the jurisdiction of the court.

Your Committee received written comments in support of this measure from the Department of the Prosecuting Attorney of the County of Maui.

Your Committee received written comments in opposition to this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that collecting DNA samples from felony offenders has helped to solve other crimes committed by these offenders, provide justice to crime victims, and deter the commission of future offenses. Your Committee further finds that requiring the collection of buccal swab samples and print impressions of each hand, and DNA samples as provided by law or rule, from certain felony offenders who have completed their sentences and are no longer under the jurisdiction of the court will enhance public safety.

Your Committee has amended this measure by clarifying language pertaining to persons who have been acquitted pursuant to section 704-402, 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. 320, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 320, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 627 Ways and Means on S.B. No. 1014

The purpose and intent of this measure is to provide the Director of Transportation greater authority over the motor vehicle inspection program.

More specifically, this measure expands the Director's authority to adopt administrative rules to administer and enforce the program, including the maximum inspection fee to vehicle owners and fees collected from inspection stations.

Your Committee received written comments in support of this measure from the Department of Transportation.

Your Committee finds that there is a need to upgrade the methods and procedures of state motor vehicle inspections because the current system is inefficient in that legislation needs to be enacted in order to amend an inspection fee. Your Committee finds that by authorizing the Director of Transportation to administer and enforce the motor vehicle inspection program through the administrative rule process, this measure provides a more efficient means of making changes to the program and still allows for input from the public.

Your Committee has amended this measure by making a technical correction to the text of section 248-26, HRS, on page 2 to make it consistent with the printed version of the 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. 1014, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1014, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 628 Ways and Means on S.B. No. 1239

The purpose and intent of this measure is to appropriate funds for research on prevention and mitigation of rapid ohia death.

Your Committee received written comments in support of this measure from the University of Hawaii, Office of Hawaiian Affairs, County of Hawaii, Democratic Party of Hawaii, Hawaii Farm Bureau, Coordinating Group on Alien Pest Species, Conservation Council for Hawaii, Hawaii Green Growth, The Nature Conservancy, Hawaii Crop Improvement Association, and ten individuals.

Your Committee received written comments on this measure from the Hawaii Department of Agriculture and the Department of Land and Natural Resources.

Your Committee finds that ohia makes up approximately fifty percent of the State's native forest and is a keystone species in native watershed areas. Your Committee recognizes that rapid ohia death is devastating thousands of acres of native forest on the island of Hawaii and that it is vital take appropriate steps now to prevent the spread of the fungus to the other islands. Your Committee believes that rapid ohia death is a critical threat to the State's native forests and that it is crucial that funds are directed to address this issue. Your Committee notes that it will consider including an appropriation in the budget bill for this purpose, with \$2,000,000 as a possible amount.

Your Committee has amended this measure by changing the effective date to March 9, 2092, 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. 1239, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1239, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 629 Ways and Means on S.B. No. 1148

The purpose and intent of this measure is to appropriate funds for the Executive Director of the Hawaii Community Development Authority (HCDA) to conduct a study relating to smart growth and transit-oriented development initiatives.

More specifically, this measure requires HCDA to conduct a feasibility study regarding:

- (1) HCDA assuming the role of planning, developing, and redeveloping all state-owned lands within one mile of the Honolulu rail transit system, except state-owned lands currently under the administration of the Hawaii Public Housing Authority; and
- (2) Creating a new community development district along the Honolulu rail corridor.

Your Committee received written comments in support of this measure from the Office of Planning and the Hawaii Public Housing Authority.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that the feasibility study proposed in this measure is warranted to determine the best means to pursue the development of state-owned properties along the rail transit line. Your Committee further finds that the state-owned land along the rail transit route is administered by numerous departments and agencies and that these entities may lack the expertise and resources to oversee land development. Your Committee recognizes that it is important for the State to have a unified, coordinated vision for implementing sound transit-oriented development and smart growth development of its properties. Your Committee believes that the Hawaii Community Development Authority could be the appropriate entity to guide development and redevelopment along the rail line.

Your Committee has amended this measure by changing the appropriation provision to reference the correct name of the Hawaii Community Development 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. 1148, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1148, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Taniguchi, Wakai).

SCRep. 630 Ways and Means on S.B. No. 839

The purpose and intent of this measure is to appropriate funds for a feasibility study for planning and land acquisition for an agricultural park in the Puna district to provide access to agricultural lands for small scale farmers.

Your Committee received written comments in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, the Mayor of the County of Hawaii, Hawaii Farm Bureau, Hawaii Farmers Union United, and three individuals.

Your Committee finds that Puna is the fastest growing district in the County of Hawaii. Your Committee further finds that an agricultural park in the Puna district would provide economic opportunities and increase local food production in the district in alignment with the State's food sustainability goals.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated in fiscal year 2017-2018 and fiscal year 2018-2019 from \$250,000 to an unspecified amount; and
- (2) Changing the effective date to March 9, 2092, 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. 839, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 839, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Taniguchi, Wakai).

SCRep. 631 Ways and Means on S.B. No. 826

The purpose and intent of this measure is to appropriate funds for a distance learning center in the Puna district within the University of Hawaii at Hilo to increase access to education for this underserved region.

Your Committee received written comments in support of this measure from the University of Hawaii System, Office of the Mayor of the County of Hawaii, the Councilmember for the Fifth District of the County of Hawaii, and two concerned individuals.

Your Committee finds that the University of Hawaii System is attempting to evolve Hawaii Community College into a distributed campus, with locations in Hilo, Palamanui, and the North Hawaii Education and Research Center. Your Committee therefore believes that Hawaii Community College is best suited to manage the Puna distance learning center and will be able to deliver programs from other University of Hawaii campuses, including the University of Hawaii at Hilo, as needed.

Your Committee has amended this measure by:

- (1) Designating Hawaii Community College as the unit hosting the distance learning center, rather than the University of Hawaii at Hilo; and
- (2) Clarifying that the purpose of the distance learning center is to provide greater access to post-secondary education in the Puna district.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 826, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 826, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Taniguchi, Wakai).

SCRep. 632 Ways and Means on S.B. No. 643

The purpose and intent of this measure is to require all newly created, replaced, or reprinted state and county documents, letterheads, symbols, and emblems to contain accurate, appropriate, and authentic Hawaiian names and language beginning on January 1, 2018.

In addition, this measure establishes references for accurate, appropriate, and authentic Hawaiian names and words, including proper Hawaiian spelling and punctuation.

Your Committee received written comments in support of this measure from 'Aha Pūnana Leo, Kamehameha Schools, and five concerned citizens.

Your Committee received written comments in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committee received written comments on this measure from Ka Lāhui Hawai'i Political Action Committee and one concerned citizen.

Your Committee finds that Article XV, section 4, of the Hawaii State Constitution establishes English and Hawaiian as the official languages of the State of Hawaii. Your Committee further finds that by requiring the accurate, appropriate, and authentic use of Hawaiian names and words that utilize proper Hawaiian spelling and punctuation, this measure serves as an important step toward ensuring the renormalization and proliferation of the Hawaiian language as an official language of the State.

Your Committee has amended this measure by changing the effective date to March 9, 2092, 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. 643, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 643, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 633 Judiciary and Labor on S.B. No. 21

The purpose and intent of this measure is to increase the monetary penalties and establish criminal penalties for violating the laws relating to child care facilities.

Your Committee received testimony in support of this measure from the Hawaii Children's Action Network and seventy-six individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that because many parents must work full-time, infant child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. By increasing the fines and establishing criminal penalties for child care facility providers who violate state laws relating to child care facilities, this measure will help to encourage an upkeep of best practices and allow opportunities for legal recourse for parents whose children are not properly cared for.

Your Committee has amended this measure by:

- (1) Reinstating the monetary penalties for any violation of chapter 346, Hawaii Revised Statutes, or any rule adopted pursuant thereto;
- (2) Specifying that the increased monetary penalties apply to any violation of part VIII of chapter 346, Hawaii Revised Statutes, relating to child care facilities, or any rule adopted pursuant thereto;
- (3) Replacing the criminal penalty for violating child care facility laws with language that authorizes the Department of Human Services to refer to the Attorney General or respective county prosecutor any intentional, knowing, or reckless violation of the laws and health and safety rules relating to child care facilities or certain criminal offenses;
- (4) Inserting an effective date of January 7, 2059, 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. 21, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 21, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 634 Judiciary and Labor on S.B. No. 134

The purpose and intent of this measure is to prohibit smoking and tobacco use, including use of electronic smoking devices, by any person on University of Hawaii premises.

Your Committee received testimony in support of this measure from the Department of Education, Department of Health, University of Hawai'i System, University of Hawai'i at Manoa Lifesaver Club, University of Hawai'i Student Health Advisory Council, Hawaii Medical Service Association, Hawai'i Pacific Health, Hawai'i Public Health Institute Coalition for a Tobacco-Free Hawaii, American Heart Association, American Cancer Society Cancer Action Network, and one hundred nineteen individuals. Your Committee received testimony in opposition to this measure from the University of Hawaii Professional Assembly, Associated Students of the University of

Hawai'i at Windward Community College, and two individuals. Your Committee received comments on this measure from the University of Hawai'i Student Caucus.

Your Committee finds that creating tobacco-free campuses is a growing trend in the United States. The American Nonsmokers' Rights Foundation reports that as of January 2, 2017, 1,468 colleges and universities across the United States had adopted policies that require one hundred percent tobacco-free campuses. A rapidly growing number of campuses, 1,331 as of January 2, 2017, also prohibit the use of electronic smoking devices anywhere on campus. Your Committee further finds that establishing a tobacco-free policy on University of Hawaii System premises will demonstrate Hawaii's continued commitment toward healthy living and learning.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 134, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 134, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 635 Judiciary and Labor on S.B. No. 174

The purpose and intent of this measure is to amend the definition of "debilitating medical condition" to include lupus, epilepsy, multiple sclerosis, arthritis, and autism as conditions that qualify for the legal use of medical marijuana.

Your Committee received testimony in support of this measure from the Drug Policy Forum of Hawaii; Epic-Interventions LLC; Hawai'i Dispensary Alliance; Hawaii Educational Association for Licensed Therapeutic Healthcare; Honolulu Wellness Center; Maui Grown Therapies; Patients Without Time; We Are One, Inc.; and twenty-six individuals. Your Committee received testimony in opposition to this measure from the Department of Health, District 41 of the Hawaii Republican Party, and two individuals. Your Committee received comments on this measure from the Department of the Attorney General and one individual.

Your Committee finds that Hawaii authorized the use of medical marijuana in 2000, and at the time was one of the first states nationwide to do so. Since 2000, the only condition that has been added to the list of debilitating medical conditions is post-traumatic stress disorder, which was added in 2015. The policy movement of some states toward the medical use of marijuana has afforded patients more options when deciding how to treat and manage their health conditions and illnesses. However, the list of qualifying conditions in Hawaii remains limited compared to other states across the country. Accordingly, this measure amends the definition of "debilitating medical condition" to specify additional conditions that qualify for the legal use of medical marijuana to provide Hawaii patients more treatment options.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 174, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 174, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 636 Judiciary and Labor on S.B. No. 332

The purpose and intent of this measure is to prohibit a commissioned notary public from accepting a limited purpose driver's license for verification of identification.

Your Committee received testimony in support of this measure from the Association of Hawaii Notaries and one individual.

Your Committee finds that limited purpose driver's licenses are not compliant with the federal REAL ID Act, are not accepted for official federal purposes, and do not establish eligibility for employment, voter registration, or public benefits. According to testimony received by your Committee, because a limited purpose driver's license fails to comply with the REAL ID Act, there may be an increased potential for the use of fraudulent documentation to obtain this type of license.

Your Committee further finds that notaries public are public officers whose duties include protecting a transaction from fraud. Notaries public should be reasonably sure that the document they are using to verify a person's identity meets standards for issuance that are equal to the minimum federal standard. Since limited purpose driver's licenses have a lower standard for issuance than the standard required for a regular driver's license, this measure specifies that commissioned notaries are prohibited from accepting this type of license for purposes of identification verification.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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 Third Reading in the form attached hereto as S.B. No. 332, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 637 Judiciary and Labor on S.B. No. 420

The purpose and intent of this measure is to make it a criminal offense to intentionally or knowingly direct the beam from a laser or laser scope at an occupied aircraft under certain circumstances.

Your Committee did not receive any written testimony pertaining to this measure.

Your Committee finds that in recent years a growing number of incidents have occurred in which individuals have targeted aircrafts with laser lights during flight or while landing. However, the penal code does not adequately address situations in which an individual aims a laser light at an occupied aircraft and is particularly deficient in situations where the individual with the laser light causes injuries to those on board. This measure establishes criminal offenses for directing a laser light at an occupied aircraft to deter such actions and to help ensure flight and passenger safety.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 420, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 420, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 638 Judiciary and Labor on S.B. No. 849

The purpose and intent of this measure is to amend the Hawaiian Homes Commission Act of 1920, as amended, by:

- (1) Prohibiting any lessee who transfers a lease from being placed on the wait list again and from purchasing another lease;
- (2) Reducing the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one-quarter to one thirty-second; and
- (3) Making housekeeping amendments by replacing references to "husband" or "wife" with "spouse".

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Ka Lāhui Hawai'i Political Action Committee, and twenty-eight individuals. Your Committee received testimony in opposition to this measure from five individuals. Your Committee received comments on this measure from the Department of the Attorney General and Department of Hawaiian Home Lands.

Your Committee finds that many descendants of lessees of Hawaiian home lands do not qualify as successors because interracial marriages and blended families produce descendants who are less than twenty-five percent Hawaiian. These disruptions create undue hardships of displacement and interfere with families' abilities to maintain the equity of their homes and businesses. By allowing the transfer of leases prior to the leaseholder's death, this measure encourages current lessees to maintain and invest in their residences, as the lessees anticipate that their descendants will be able to make use of the properties for many generations to come.

Your Committee is concerned that the language that prohibits any lessee who transfers a lease from being placed on the wait list again and from purchasing another lease may be too broad. Your Committee believes that this issue merits further discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 849, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 849, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 639 Judiciary and Labor on S.B. No. 967

The purpose and intent of this measure is to:

- (1) Provide that certain areas within Hawaii Public Housing Authority housing projects are closed to the public;
- (2) Establish requirements for signage notifying trespassers of illegal entry; and
- (3) Amend the offense of criminal trespass in the second degree to permit the prosecution of an unauthorized entry or a violation of a written prohibition to enter into housing projects that are closed and duly noticed to the public.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and two individuals.

Your Committee finds that criminal activity and disturbances caused by uninvited individuals are increasing in public housing projects in Hawaii. The perception that public housing projects are open to the public at all times makes these incidents difficult to prevent and resolve. Your Committee further finds that these incidents are detrimental to the safety of the residents and staff of

Hawaii's public housing projects. This measure clarifies what property within public housing projects is closed to the public and assists law enforcement officers in ensuring the safety of public housing project residents and staff.

Your Committee has amended this measure by:

- (1) Deleting references to "subject housing project" for purpose of consistency;
- (2) Replacing language for the definitions of "member of the public" and "reasonable warning or request" with applicable cross-references;
- (3) Inserting an effective date of January 7, 2059, 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. 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, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 640 Ways and Means on S.B. No. 767

The purpose and intent of this measure is to promote diversification of the State's economy by establishing the high-growth grant program to provide grants to qualified businesses for specific business development purposes.

This measure would also establish the high-growth grant program special fund to receive legislative appropriations and make grants under the program.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, High Technology Development Corporation, Chamber of Commerce Hawaii, and Maui Chamber of Commerce.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that diversifying the State's economy beyond service-related industries is critical to Hawaii's future. The high-growth grant program will provide grants to businesses that, for example, export products to expand their operations, improve productivity, and invest in food safety or quality control programs. Diversifying the State's economy in this fashion will permit Hawaii to compete globally.

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. 767, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 767, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 641 Ways and Means on S.B. No. 764

The purpose and intent of this measure is to support the development of the State's manufacturing industry by appropriating funds to the High Technology Development Corporation to continue operations of the manufacturing development program.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Kuehnle AgroSystems; K. Yamada Distributors; Aloha Shoyu Company; Hawaii Coffee Company; Maui Brewing Company; Oceanit; First Commercial Kitchen LLC; Makai Ocean Engineering, Inc.; Hawaii Food Industry Association; Hawaii Fish Company; and one concerned individual.

Your Committee received written comments on this measure from Dyezigns LLC.

Your Committee finds that the manufacturing industry is a key driver of an innovative economy, with its ongoing development of cost-effective methods, new technologies, and export products that allow the State to compete in a global market. Your Committee further finds that the manufacturing development program has helped aid manufacturers in the State through its program grants, which ultimately helps the State by increasing the production of goods for both local consumption and export.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated for the manufacturing development program from \$1,500,000 to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 764, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 764, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 642 Commerce, Consumer Protection, and Health on S.B. No. 611

The purpose and intent of this measure is to repeal the June 30, 2017, sunset date of Act 83, Session Laws of Hawaii 2012, which prohibits counties from requiring installation or retrofitting of automatic fire sprinklers in:

- (1) New or existing detached one- or two-family dwelling units used only for residential purposes; and
- (2) Non-residential agricultural and aquacultural structures located outside an urban area.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Building Industry Association of Hawaii, Hawaii Association of REALTORS, Complete Construction Services Corp., Servco Home and Appliance Distribution, Graham Builders, and Homeworks Construction, Inc. Your Committee received testimony in opposition to this measure from the State Fire Council; Maui Fire Department; and Hawaii Fire Fighters Association, Local 1463, IAAF, AFL-CIO. Your Committee received comments on this measure from the Office of the Mayor, Hawai'i County.

Your Committee finds that placing undue burdens on property owners in the State does not promote the public welfare. Retrofitting or installing automatic fire sprinklers in certain structures can be difficult and costly. Moreover, requiring owners or builders to install automatic fire sprinklers would likely cause rents and the costs of homes to rise. Given the untenable affordable housing shortage across the State, county action requiring the installation of automatic fire sprinklers could have devastating effects.

While your Committee acknowledges the concerns raised by those involved in the firefighting industry regarding enhanced prevention of fire-related injury and property loss, your Committee finds that it has not been adequately demonstrated that automatic fire sprinklers should be required in the types of dwellings this measure would permanently exempt from any automatic fire sprinkler requirement. Therefore, your Committee finds that repealing the sunset date of Act 83, Session Laws of Hawaii 2012, is appropriate at this time and notes that the proponents of the mandatory installation or retrofitting of automatic fire sprinklers in residential dwelling units may present a stronger justification for their position to the Legislature in the future.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 611, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 643 Ways and Means on S.B. No. 327

The purpose and intent of this measure is to modernize the State's voter registration operations.

Specifically, the measure:

- (1) Requires that databases containing driver's license and civil identification card information be transmitted electronically to election officials and the statewide voter registration system;
- (2) Requires the Office of Elections to become a member of the Electronic Registration Information Center and share information with the counties, pursuant to the terms of the membership agreement;
- (3) Requires the Office of Elections and each county office that administers elections to verify their respective voter registration rolls; and
- (4) Appropriates funds to the Office of Elections to join the Electronic Registration Information Center.

Your Committee received testimony in support of this measure from the Office of Elections, Common Cause Hawaii, League of Women Voters of Hawaii, and one individual. Your Committee received written comments on this measure from the Office of the County Clerk, County of Kauai.

Your Committee notes that the Electronic Registration Information Center is a nonprofit organization that helps states improve the accuracy of voter registration rolls by using secure data-matching tools. Your Committee finds that membership in the Electronic Registration Information Center would help to improve the accuracy of voter registration rolls maintained by the Office of Elections and the respective county clerks' offices, which, in turn, is likely to result in greater efficiency and cost savings in administering Hawaii's voter registration systems.

As affirmed by the record of votes of the members of your Committee 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, 10. Noes, none. Excused, 1 (Kahale).

SCRep. 644 Ways and Means on S.B. No. 367

The purpose and intent of this measure is to promote highway safety by increasing the fines for violations associated with a person operating a vehicle after the person's license and privilege has been suspended or revoked for operating a vehicle under the influence of an intoxicant.

Your Committee received comments in support of this measure from the Department of Transportation and Mothers Against Drunk Driving Hawaii.

Your Committee finds that the National Highway Traffic Safety Administration estimates that between fifty and seventy-five per cent of drivers whose licenses have been revoked for driving under the influence continue to drive despite the revocation. Your Committee further finds that of the over six thousand drivers arrested in the State in 2015 for operating a vehicle under the influence,

over one thousand were repeat offenders, many of whom were driving under a revoked or suspended license. Your Committee believes that the increased fines proposed by this measure will deter violators from operating a vehicle without a license, thereby providing safer roadways for others.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 367 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Kahele, Taniguchi).

SCRep. 645 Ways and Means on S.B. No. 422

The purpose and intent of this measure is to provide guidelines for the court to consider in awarding visitation rights to grandparents.

Specifically, this measure:

- (1) Clarifies that as a prerequisite to awarding visitation rights to grandparents, the court must find that:
 - (A) Awarding visitation to a grandparent is in the best interest of the child; and
 - (B) Denial of reasonable grandparent visitation rights would cause significant harm to the child;
- (2) Establishes a rebuttable presumption that a parent's decision regarding visitation is in the best interest of the child;
- (3) Clarifies that, in awarding reasonable grandparent visitation, the court shall be guided by all standards, considerations, and procedures for parent visitation under section 571-46, Hawaii Revised Statutes; and
- (4) Provides that a violation by a grandparent or grandparents of the terms and conditions of an order awarding reasonable visitation rights is subject to sanctions as determined by the court and in accordance with section 571-81, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from two concerned individuals.

Your Committee finds that grandparents are taking on increasing responsibilities in helping to raise their grandchildren, especially when the children's own parents are unable or unwilling to do so due to the parents' need to work or attend school, or the parents' abandonment, mental disorder, substance abuse, or incarceration. Grandparents can help to foster a child's healthy emotional and psychological development and further a child's education. Your Committee believes that this measure recognizes the importance of grandparents in a child's life.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 422, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 646 Ways and Means on S.B. No. 440

The purpose and intent of this measure is to amend the fines imposed by the Campaign Spending Commission.

Specifically, the measure:

- (1) Increases the fine amounts imposed on a noncandidate committee that makes only independent expenditures and either receives certain contributions or makes a certain amount of expenditures in an election period;
- (2) Authorizes the Campaign Spending Commission to order a person who violates campaign finance laws to pay for costs of investigative services and bank fees for the production of subpoenaed documents incurred by the Commission due to the violation; and
- (3) Requires that any costs recovered by the Campaign Spending Commission be deposited into the Hawaii election campaign fund.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, League of Women Voters of Hawaii, Common Cause Hawaii, and one individual.

Your Committee finds that increasing the maximum fine amounts that may be assessed against noncandidate committees making only independent expenditures, also known as political action committees or Super PACs, will not only address inflation, but also more effectively deter these entities from violating campaign finance laws. Your Committee also finds that allowing the Campaign Spending Commission to recover from violators the investigative costs and fees incurred in an enforcement action, and depositing the recovered moneys into the Hawaii election campaign fund, will improve the fund's sustainability and, consequently, the State's ability to provide partial public financing of political campaigns by eligible candidates.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 440, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 647 Ways and Means on S.B. No. 872

The purpose and intent of this measure is to explicitly authorize the State Ethics Commission to employ or retain its own attorneys.

Your Committee received written comments in support of this measure from the Hawaii State Ethics Commission.

Your Committee finds that existing law prohibits any state agency from hiring attorneys, except for the agencies specified under section 28-8.3, Hawaii Revised Statutes. Your Committee further finds that this measure adds the State Ethics Commission as one of the agencies that are exempt under section 28-8.3, Hawaii Revised Statutes, and therefore allows the Commission to hire and retain attorneys other than deputy attorneys general for legal representation, counsel, or drafting services.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 872, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 648 Ways and Means on S.B. No. 629

The purpose and intent of this measure is to provide the Land Use Commission (Commission) with the power to amend, revise, or modify a decision and order granting a land use district boundary amendment when the Commission finds that a petitioner or its successors or assigns has not adhered to the conditions previously imposed by the Commission.

Your Committee received written comments in support of this measure from the Land Use Commission, the Office of Hawaiian Affairs, and the Office of Planning.

Your Committee received written comments in opposition to this measure from the Department of Planning and Permitting of the City and County of Honolulu and the Land Use Research Foundation of Hawaii.

Your Committee finds that the enforcement powers of the Commission are currently not sufficient or flexible enough to address the varied compliance issues it must confront. The only enforcement mechanism currently available to the Commission for noncompliance with the conditions or requirements of a district boundary amendment is the issuance of an order to show cause, which may result in a reversion to the former land use classification. However, even that mechanism is available only prior to substantial commencement of use of the land, and reversion is not always an appropriate solution.

Your Committee further finds that this measure would provide the Commission with additional authority and enforcement tools, providing the flexibility to amend, modify, or vacate conditions, or impose fines, with respect to conditions that are within the public trust, concern state expenditures, or have cultural or environmental significance.

Your Committee requests that as this measure continues to move through the legislative process, proponents of this measure consider recommendations from the Department of Planning and Permitting of the City and County of Honolulu and other concerned parties to clarify or modify certain provisions of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 629, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 649 Ways and Means on S.B. No. 990

The purpose and intent of this measure is to improve the Forest Stewardship Program of the Department of Land and Natural Resources.

More specifically, the measure:

- (1) Clarifies the conditions to be met by applicants in order to participate and receive funds under the Forest Stewardship Program; and
- (2) Increases the cost-share reimbursement rate for the development of an approved forest stewardship management plan from fifty percent to seventy-five percent.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Hawaii Forest Industry Association, Haleakala Ranch Company, and one individual.

Your Committee finds that the Forest Stewardship Program provides technical and financial assistance to private landowners and long-term leaseholders of forests in managing, protecting, and restoring important natural resources in the State's forested and formerly forested lands.

Your Committee further finds that clarifying the conditions to be met by applicants who participate and receive funds under the Forest Stewardship Program and increasing the cost-share reimbursement rate for the development of an approved forest stewardship management plan will encourage participation in the program and help protect and restore the State's forests.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 990, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 650 Judiciary and Labor on S.B. No. 369

The purpose and intent of this measure is to prohibit associations of apartment owners, boards of directors, managing agents, resident managers, condominium owners, and any person acting on behalf of an association of apartment owners or apartment owner from retaliating or discriminating against a condominium owner, board member, or association employee who files a complaint; acts in

furtherance of a complaint, report, or investigation of an alleged violation of the State's condominium laws or a condominium's governing documents; or exercises or attempts to exercise any right as a condominium owner.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from five individuals.

Your Committee finds that although many condominium owners are comfortable with raising condominium-related complaints or concerns to their association, its board, a managing agent, or a resident manager, this experience is not universal. Condominium owners who are not comfortable with bringing up complaints or concerns may fail to do so because of a fear of retaliation. Accordingly, this measure strengthens the protections afforded to condominium owners by prohibiting condominium associations, boards, managing agents, resident managers, condominium owners, and others from retaliating or discriminating against a condominium owner, among other individuals, under certain circumstances.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 369, 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, Thielen).

SCRep. 651 Judiciary and Labor on S.B. No. 949

The purpose and intent of this measure is to make various updates to the money transmitters law, chapter 489D, Hawaii Revised Statutes, including:

- (1) Clarifying permissible investment requirements for money transmitter licensees;
- (2) Updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks; and
- (3) Updating various definitions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure makes various updates to clarify and strengthen Hawaii's Money Transmitters Act, including clarifying permissible investment requirements for money transmitter licensees; updating requirements for applications, extraordinary reporting requirements, change in control of licensee, and criminal history record checks; improving licensee compliance; enhancing the Division of Financial Institutions' ability to effectively administer the money transmitters law; ensuring the law is more clearly applicable to new technology and creative payment options; and enhancing consumer protection by strengthening requirements for background information on persons associated with a money transmitter licensee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 949, 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. 652 Judiciary and Labor on S.B. No. 1156

The purpose and intent of this measure is to remove the sunset date of Act 39, Session Laws of Hawaii 2015, thereby making permanent the requirements for a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State to provide open movie captioning during at least two showings per week of each motion picture that is produced and offered with open movie captioning and audio descriptions upon request for all motion pictures for which such accommodations are available and provide public notice if such accommodations are not available for certain movies.

Your Committee did not receive any written testimony pertaining to this measure.

Your Committee finds that Act 39, Session Laws of Hawaii 2015 (Act 39), requires a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State to provide open movie captioning and audio descriptions upon request. Act 39 was intended to improve accessibility and address the discriminatory effects of communication barriers at movie theaters encountered by individuals who are deaf, hard of hearing, deaf blind, or blind or have low vision.

Your Committee further finds that Act 39 is scheduled to be repealed on January 1, 2018. This measure removes the sunset date of Act 39, thus making permanent the motion picture accommodation requirements for Hawaii movie theaters to enable consumers who are deaf, hard of hearing, deaf blind, or blind or have low vision to continue to enjoy movies in a similar manner as those who do not require open movie captioning or audio descriptions.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1156 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 653 Ways and Means on S.B. No. 333

The purpose and intent of this measure is to increase notary public fees.

Your Committee received written comments in support of this measure from the Association of Hawaii Notaries.

Your Committee recognizes that notaries perform an important and necessary public service and that Hawaii's notary public fees have not been increased since 1995. Your Committee finds that the increases included in this measure are reasonable and timely.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 654 Ways and Means on S.B. No. 399

The purpose and intent of this measure is to change the allowable charge for acupuncture treatments provided through motor vehicle insurance.

More specifically, this measure ties the authorized charge for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance to the workers' compensation supplemental medical fee schedule.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Association for Justice.

Your Committee received written comments in opposition to this measure from State Farm Insurance.

Your Committee finds that the charge allowed for acupuncture treatments has not increased in nearly twenty years, while rates for other services, such as physical therapy and medical office visits, have increased. Your Committee further finds that this freeze has resulted in a compensation rate that has not kept up with inflation or the increased costs of providing acupuncture care.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 399, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, English, Kahele, Taniguchi).

SCRep. 655 Ways and Means on S.B. No. 27

The purpose and intent of this measure is to restore basic adult dental benefits to Medicaid enrollees.

Specifically, the measure:

- (1) Appropriates funds to the Department of Human Services to restore basic adult dental benefits to Medicaid enrollees in fiscal years 2017-2018 and 2018-2019; and
- (2) Requires the Department of Human Services to obtain the maximum federal matching funds available for this expenditure.

Your Committee received written comments in support of this measure from the Disability and Communication Access Board, State Council on Developmental Disabilities, Hawaii Primary Care Association, Hawaii Dental Hygienists' Association, Hawaii Public Health Association, Hawaii Pacific Health, Hawaii Public Health Institute, The Queen's Health Systems, ARC of Maui, Healthcare Association of Hawaii, Ho'ola Lahui Hawai'i, and a concerned individual.

Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that oral health in the State is a pervasive and expensive public health crisis. Your Committee believes the restoration of basic adult dental benefits to Medicaid enrollees would help to address this crisis. Your Committee further finds that lack of access to preventive oral health care has a negative impact on a person's health, especially for individuals with chronic diseases as well as pregnant women and their newborns.

Your Committee has amended this measure by:

- (1) Changing the appropriation for fiscal year 2017-2018 from \$4,700,000 to an unspecified sum;
- (2) Changing the appropriation for fiscal year 2018-2019 from \$9,400,000 to an unspecified sum; and
- (3) Changing the effective date to July 1, 2050 to facilitate further discussion on the measure.

Your Committee intends to consider including the appropriations under this measure in the executive budget.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 27, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 656 Ways and Means on S.B. No. 301

The purpose and intent of this measure is to require the Department of Health to make changes to its advance disposal fee program.

More specifically, the measure:

- (1) Mandates the Department of Health to adopt and implement the recommendations made by the Office of the Auditor regarding combining the glass processing streams for the advance disposal fee program and the deposit beverage container program;
- (2) Requires the Department of Health to report on its implementation of the recommendations to the Legislature prior to the 2019 Regular Session; and

- (3) Appropriates funds for the Department of Health to conduct a cost-benefit analysis of combining the glass processing streams of the recycling programs.

Your Committee received written comments in support of this measure from the City and County of Honolulu Department of Environmental Services, and the Sierra Club of Hawaii.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Wine Institute and one individual.

Your Committee finds that glass recycling in the State is subsidized by two different programs. Non-deposit glass recycling is subsidized by the advanced disposal fee program and deposit beverage container glass recycling is subsidized by the deposit beverage container program. Each program requires that its glass be marked and processed separately.

Your Committee further finds that the Legislature passed S.C.R. No. 74, S.D. 1, H.D. 1, Regular Session of 2014, to determine whether there was a more efficient option for the processing operations associated with glass recycling. The concurrent resolution requested the Office of the Auditor to conduct an audit of the Department of Health's advance disposal fee program, which resulted in the recommendation that the Department of Health consider combining the glass processing streams for the advance disposal fee program and the deposit beverage container program. The Office of the Auditor concluded that this would increase efficiency and decrease costs, while also increasing the supply of glass available for down-cycling. Your Committee notes that the Office of the Auditor also recommended that the Department of Health update and finalize the 2008 Department of Health draft policy on glass recycling.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 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. 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, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 657 Ways and Means on S.B. No. 946

The purpose and intent of this measure is to provide the Professional and Vocational Licensing Division (Division) of the Department of Commerce and Consumer Affairs with the flexibility to decrease or increase certain licensing fees.

Specifically, this measure allows the Division, subject to the approval of the Governor, to adjust fees for:

- (1) Athletic trainers, behavior analysts, mixed martial arts, respiratory therapists, uniform athlete agents, and veterinary technicians; and
- (2) Any future board, commission, program, or entity created pursuant to title 25, Hawaii Revised Statutes, and assigned to the Department of Commerce and Consumer Affairs or placed within that department for administrative purposes.

The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs submitted written comments in support of this measure.

Your Committee finds that existing law already provides for increasing or decreasing fees pertaining to the regulation of various professions. However, the law has not been updated since 2007, and therefore does not include the six new licensed areas specified in the measure. Your Committee further finds that this measure will allow the Division to timely adjust its fees in a fair and impartial manner.

Your Committee has amended this measure by changing its effective date to June 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 946, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 946, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 658 Ways and Means on S.B. No. 620

The purpose and intent of this measure is to amend the state general excise tax to address remote sales.

More specifically, this measure amends the definition of the term "business" to include a person who has no physical presence in the State, but who has gross receipts attributable to the State of \$100,000 or more.

Your Committee received written comments in support of this measure from The Chamber of Commerce Hawaii.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that a seller with no physical presence in a customer's state might see no obligation to collect and remit tax in the customer's state. Your Committee also finds that, while such a customer would be liable for a use tax, tax departments throughout

the country have met with little success in motivating such customers, especially those with small purchases, to pay a use tax. Your Committee further finds that many internet-based retailers and vendors unfairly benefit from the State's inability to enforce the use tax against purchasers, resulting in lost revenue by the State and lost sales by conventional "brick and mortar" retailers. This measure will help to address this tax inequity.

Your Committee has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 620, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 620, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 659 Judiciary and Labor on Gov. Msg. No. 506

Recommending that the Senate consent to the nomination of the following:

INTERMEDIATE COURT OF APPEALS

G.M. No. 506 DERRICK H.M. CHAN, for a term of 10 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Derrick H.M. Chan to possess the requisite qualifications to be considered for appointment to the Intermediate Court of Appeals, State of Hawaii.

Testimony in support of the appointment of Chief Judge Chan to the position of Associate Judge of the Intermediate Court of Appeals of the State of Hawaii was submitted by the Department of the Attorney General; Office of the State Public Defender; Office of the Prosecuting Attorney, County of Kaua'i; Department of the Prosecuting Attorney, County of Maui; Retired Chief Justice Ronald Moon, Supreme Court of the State of Hawaii; Retired Judge Richard K. Perkins, Circuit Court of the First Circuit; Retired Judge Shackley F. Raffetto, Circuit Court of the Second Circuit; Domestic Violence Action Center; Ho'omana Pono, LLC; Hawaii Regional Council of Carpenters; The Trustees of the Estate of Bernice Pauahi Bishop dba Kamehameha Schools; and eighteen individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

Chief Judge Chan obtained his Bachelor of Arts degree from the University of Hawaii. He received his Doctorate of Jurisprudence from California Western School of Law. Since 2000, he has served on the bench of the Circuit Court of the First Circuit and has had the opportunity to be assigned to every calendar, including criminal, civil, and probate, in the First Circuit. He became the Deputy Chief Judge of the Criminal Division of the First Circuit in 2005 and later the Chief Judge of the Circuit Court of the First Circuit in 2009, which is the role in which he currently serves. As Chief Judge, he is responsible to serve as the Chief Trial Judge of the First Circuit, preside over trials, manage judges of the Circuit, Family, and District Courts of the First Circuit, manage the First Circuit's budget and all administrative personnel, and provide overall leadership for the First Circuit, which is the State's largest judicial circuit.

Prior to his appointment to the Circuit Court bench, Chief Judge Chan served as a Deputy Attorney General for the Department of the Attorney General, Deputy Public Defender for the Office of the State Public Defender, Attorney for the Hawaii Carpenters Union, and First Deputy Prosecutor for the Office of the Prosecuting Attorney of the County of Kauai. As a practicing attorney, he has handled over thirty jury trials and fifty bench trials and has represented the State or individuals in all types of cases from petty theft to murder.

Chief Judge Chan has extensive service in the legal community. He currently serves as Chairperson of the Strategic Plan Working Group on Standardization of Workflows, Policies, and Procedures; Chairperson of the Judiciary Working Group Relating to Adult Guardianship and Protective Proceedings Jurisdiction; Member of the Expungement of Court Records Working Group; Chairperson of the Committee on Uniform Probate Code and Probate Court Practices; Member of the Standing Committee on the Rules of Evidence; Committee Chairperson to Recommend Jury Management Improvements; Chairperson of the Judiciary Leave Sharing Program Committee; Chairperson of the Permanent Committee on Rules of Civil Procedure and Circuit Court Civil Rules; Chairperson of the Special Committee on Judicial Performance; Member of the Committee on Pattern Civil Jury Instructions; and Member of the Hawaii State Trial Judges Association/Hawaii State Bar Association Committee. He also has extensive involvement in community activities, including currently participating in Matt Levi's Laukea Scholarship Program, Boy Scouts Career Development Program, Hokulani Elementary School Career Day, various court room presentations for Department of Education schools, and various high school moot court competitions.

Testimony in support of Chief Judge Chan's appointment indicate that due to over fifteen years of service as a Circuit Court Judge, including over seven years of service as Chief Judge of the First Circuit Court, Chief Judge Chan has extensive knowledge and experience in civil and criminal cases and is adept at navigating the many day-to-day issues that arise within the Judiciary. As Chief Judge, he has addressed issues from both sides of the judicial system with skill and benevolence while guiding the First Circuit through societal and institutional changes.

Testimony in support also indicates that Chief Judge Chan possesses unique character qualities of leadership, collegiality, and humility that will benefit him and the other judges presiding on the Intermediate Court of Appeals. He has the ability to keep a thoughtful, open mind while judiciously weighing all facts from a disciplined and objective point of view. All of these qualities are essential for an Associate Judge of the Intermediate Court of Appeals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.

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

SCRep. 660 Judiciary and Labor on Gov. Msg. No. 507

Recommending that the Senate consent to the nomination of the following:

FIRST CIRCUIT COURT JUDGE

G.M. No. 507 TODD W. EDDINS, for a term to expire in 10 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Todd W. Eddins to possess the requisite qualifications to be considered for appointment to the Circuit Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Mr. Eddins was submitted by Chief United States District Judge J. Michael Seabright, United States District Court, District of Hawaii; Office of the Federal Public Defender, District of Hawaii; Department of the Attorney General; Office of the State Public Defender; Judge Linda C.J. Lee, The Court of Appeals of the State of Washington; Retired Judge Victoria S. Marks, Circuit Court Judge of the First Circuit; Retired Judge Eden Hifo, Circuit Court Judge of the First Circuit; Ho'omana Pono, LLC; Waiahole Waikane Community Association; and fifty-eight individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

Mr. Eddins received his Bachelor's degree from the College of William & Mary. He subsequently obtained his Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa, where he served as the Executive Editor of the University of Hawaii Law Review and was one of the core group of law student leaders who initiated public service as a graduation requirement. The public service graduation requirement was the first in the nation.

Mr. Eddins is currently a sole practitioner of his own private law practice focusing on criminal defense and complex civil litigation. He previously served as a Deputy Public Defender and provided civil litigation work for Galiher DeRobertis Ono. He has tried approximately one hundred jury trials and two hundred bench trials during his extensive legal career and has represented clients in almost every Circuit and District Court in the State and the United States District Court, including many of Hawaii's most high-profile, complex cases. Of particular note, he represented the Waiahole-Waikane Community Association in lease, eviction, and land transfer issues with the Housing and Community Development Corporation of Hawaii; represented the defendant in *State v. Tayshea Aiwohi*, which examined the constitutional, statutory, and policy implications of prosecuting mothers for prenatal substance abuse; and served as the plaintiffs' attorney for Pearl Harbor Naval Shipyard workers and United States Navy veterans exposed to asbestos.

Mr. Eddins is licensed to practice law in Hawaii and is an active participant in his community. He has participated in the McCully-Moilili Neighborhood Board and Waipahu Neighborhood Board and served as a high school mock trial coach for the Hawaii Youth Correctional Facility. He has also served as a coach for Kailua youth basketball and youth baseball and participated in the lawyers basketball for more than twenty-five seasons, including on the championship team several times in recent seasons.

Testimony in support of Mr. Eddins' appointment indicates that he is a knowledgeable and skilled trial attorney whose practical knowledge of the rules of evidence will ensure that verdicts will not be overturned for errors and that his keen ability to interact with prospective jurors will translate to efficient and fair jury selections. He possesses the necessary intellect to critically analyze legal issues, arrive at a well-reasoned decision, and clearly explain the basis for his decision.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 661 Judiciary and Labor on Gov. Msg. No. 508

Recommending that the Senate consent to the nomination of the following:

FIRST CIRCUIT COURT JUDGE

G.M. No. 508 CATHERINE REMIGIO, for a term to expire in 10 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Catherine Remigio to possess the requisite qualifications to be considered for appointment to the Circuit Court of the First Circuit of the State of Hawaii.

Testimony in support of the appointment of Judge Remigio was submitted by the Department of the Attorney General, Office of the State Public Defender, Hawaii State Coalition Against Domestic Violence, and eighteen individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

Judge Remigio received her Bachelor of Science degree in Foreign Service – Comparative Studies and a certificate in East Asian Studies from Georgetown University. She later obtained her Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa, where she received an American Jurisprudence Award for Excellence in Appellate Advocacy and participated on the Jessup International Moot Court Team, American Inns of Court, and Moot Court Board.

Since 2011, Judge Remigio has served as the presiding District Family Court Judge of the First Circuit and currently serves as the presiding judge in the Juvenile Division. Since January 2014, she has handled over two hundred fifty Child Welfare Services cases and over sixty juvenile offenses, and presided over seventy juvenile sex assault cases as well as over fifty bench trials. She served as a presiding judge in the Domestic Division, where she handled more than three thousand civil litigation cases involving pre-decree and post-decree motions, settlement conferences and settlements, divorce trials, and temporary restraining orders and orders for protection hearings and trials; and presided over more than one hundred trials and contested hearings. She was also previously assigned to the Circuit Court of the First Circuit, where she presided over approximately ten jury trials.

Prior to her appointment to the District Family Court bench, Judge Remigio served as a Per Diem Judge with the District Court of the First Circuit, where she handled criminal and civil traffic infraction cases, criminal misdemeanors and petty misdemeanors, arraignments, pleas, small claims trials, regular civil claims trials, and temporary restraining order trials. She was also a partner with the law firm of Bryant and Remigio, L.L.C., where she practiced family law and handled divorce, paternity, child protective services, temporary restraining orders, family criminal defense, and appeals. She also was an arbitrator with the Court Annexed Arbitration Program. Prior to establishing her own firm, Judge Remigio was an associate with Stirling and Kleintop, A.L.S., where she practiced family law. From 1993 to 1996 and again from 1998 to 2004, she served as a Deputy Public Defender with the Office of the Public Defender. Prior to her work with the Office of the Public Defender, she worked as an associate in a law firm in San Diego, practicing plaintiffs' civil and class action suits, water rights, and electricity rate cases.

Judge Remigio has extensive service in the legal and local community. She has served as Chairperson of the Child Support Guidelines Committee, Chairperson of the Family Court Forms Subcommittee, Chairperson of the Family Court Pre-trial Orders Committee, and Member of the Family Court Civil Unions Committee and Family Court Kapolei Working Group Committee. She has served in various capacities with the University of Hawaii, high school mock trial competitions, Hawaii State Bar Association, and American Bar Association.

Testimony in support of Judge Remigio's appointment indicates that as a judge, she is reputed to be a good decision-maker who efficiently handles her caseload and does so with fairness to all who appear in her courtroom. Her reputation in the legal community is that she is exceedingly professional, punctual, practical, compassionate, credible, well prepared, reasonable, and articulate. She has a strong sense of justice and fairness.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 662 Judiciary and Labor on Gov. Msg. No. 509

Recommending that the Senate consent to the nomination of the following:

FIRST CIRCUIT COURT JUDGE

G.M. No. 509 KEITH HIRAOKA, for a term to expire in 10 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Keith Hiraoka to possess the requisite qualifications to be considered for appointment to the Circuit Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Mr. Hiraoka was submitted by the Department of the Attorney General; Office of the State Public Defender; Retired Judge Karen S.S. Ahn, Circuit Court of the First Circuit; Retired Judge Eden Hifo, Circuit Court of the First Circuit; Hawaii State Coalition Against Domestic Violence; and sixty-one individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

Mr. Hiraoka received his Bachelor of Arts degree in Political Science from the University of Hawaii at Manoa and later obtained his Doctorate of Jurisprudence from Boalt Hall School of Law at the University of California, Berkeley. He is currently a Managing Partner at Roeca Luria Hiraoka LLP (formerly Roeca, Louie & Hiraoka), where his primary practice areas include professional liability defense (including attorneys, insurance agents, accountants, realtors, and land surveyors), liability insurance coverage, extracontractual counseling, and litigation. Prior to establishing his own private practice, he was an Associate at Case & Lynch (formerly known as Case, Kay & Lynch).

Mr. Hiraoka is licensed to practice law in Hawaii and has extensive service in the legal and local community. He has served in various capacities with the Hawaii State Bar Association, including as Co-Chairperson of the Professional Responsibility and Risk Management Committee, Chairperson of the Insurance Coverage Litigation Section, and Member of the Litigation Section. He has also served as a Member of the Hawaii Supreme Court Permanent Committee on Rules of Civil Procedure and Circuit Court Civil Rules as well as the United States District Court Hawaii District Conference. Finally, in his spare time, he has served as Chairperson of the Legal Defense Committee of the Hawaii United Okinawa Association and a coach and referee for the American Youth Soccer Organization.

Mr. Hiraoka is the recipient of several awards and honors, including being listed in *The Best Lawyers in America* and *Honolulu Magazine* for Ethics and Professional Responsibility Law and Professional Malpractice Law since 2011, and achieving a Martindale-Hubbell Law Directory Peer Review Rating AV Preeminent. He has authored an extensive list of legal publications and law review articles.

Testimony in support of Mr. Hiraoka's appointment indicates that he is one of the most experienced and well-regarded civil attorneys in the State. He is able to analyze and explain complicated business, contract, and insurance issues and possesses a solid understanding of the law regarding the underlying claims asserted. He is collegial, clear, practical, and humble when appearing in court or during mediations. His diligent work ethic and legal experience have prepared him well to be a fair, compassionate, and effective jurist.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 663 Ways and Means on S.B. No. 909

The purpose and intent of this measure is to promote energy security in the State.

Specifically, the measure:

- (1) Amends sections of Hawaii's fuel shortage response and energy emergency statutes to remove deficiencies; and
- (2) Provides policy guidance on preparing for and responding to an actual or potential energy supply disruption or shortage, preserving the State's energy security, and ensuring that fuel products and energy resources are made available to emergency services and the public in an orderly, efficient, and safe manner.

The Department of Transportation; the Department of Accounting and General Services; the Department of Business, Economic Development, and Tourism; Hawaii Natural Energy Institute; The Maritime Group, LLC; and Par Hawaii submitted written comments in support of this measure.

The Office of Information Practices submitted written comments on this measure.

Your Committee believes that it is vital for governmental officials to have proper guidance if an energy supply disruption or shortage occurs to ensure that energy resources are protected and maintained. In case of an energy crisis, it is essential that emergency services and the public can access energy resources in an orderly and well-defined manner. Your Committee finds that the State's decades-old petroleum shortage statutes no longer align with government and industry energy emergency best practices, nor do they adequately enable the State to successfully develop the technical and analytic perspective necessary for situational awareness of the State's energy resources under a state of emergency. Your Committee finds that this measure provides policy guidance to better address exposure to energy supply disruption risk over the next decade.

Your Committee has amended this measure by:

- (1) Removing the definition of "commission," because the term is not used in the measure;
- (2) Moving the placement of the proviso within the definition of "distributor" to clarify that the proviso applies to the entire definition; and
- (3) Making a technical amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 909, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 909, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 664 Ways and Means on S.B. No. 103

The purpose and intent of this measure is to implement the amendment relating to the disposition of excess revenues made to the Hawaii State Constitution after the passage of S.B. No. 2554, Regular Session of 2016, and its ratification during the 2016 general election.

More specifically, the measure makes statutory amendments that authorize the disposition of excess general fund revenues to pre-pay debt service for general obligation bonds issued by the State or for pension or other post-employment benefit liabilities accrued for state employees.

Your Committee received written comments in support of this measure from the Department of Budget and Finance.

Your Committee finds that this measure is needed to implement the amendments to Article VII, section 6, of the Hawaii State Constitution that were proposed by S.B. No. 2554, Regular Session of 2016, and ratified by the voters on November 8, 2016.

Your Committee has amended this measure by changing the effective date from January 7, 2059, to June 30, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 103, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 103, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 665 Ways and Means on S.B. No. 247

The purpose and intent of this measure is to require a recount of election votes cast for any office, in any election, when the margin of victory is less than two hundred fifty votes or less than one per cent of the total number of votes cast for the contest, whichever is less.

Your Committee received written comments on this measure from the Office of Elections.

Your Committee finds that a candidate may already contest a narrow margin of victory through the court system pursuant to article II, section 10 of the Hawaii Constitution and part XI of chapter 11, Hawaii Revised Statutes. Specifically, a candidate may file a complaint in the Hawaii Supreme Court alleging overages, underages, provable fraud, or any other reason for a difference in the election results. However, the reality is that not all candidates have equal access to the courts, given the costs of legal representation and filing fees. In contrast, this measure would provide a mechanism in certain instances for an automatic recount at no cost to any candidate.

Your Committee also finds that with respect to a complaint filed in the Hawaii Supreme Court pertaining to votes subject to a mandatory recount pursuant to this measure, when the votes were cast in a primary or special primary election or in a county election contest held concurrently with a regularly scheduled primary or special primary election, the complaint filing deadline must allow election officials adequate time to proof, approve, and print the general election ballot.

Accordingly, your Committee has amended this measure by clarifying that a complaint pertaining to primary or special primary election votes subject to a mandatory recount shall be filed no later than 4:30 p.m. on the thirteenth calendar day following the election, or the third calendar day following a recount, whichever occurs first.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 247, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 247, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 666 Ways and Means on S.B. No. 1266

The purpose and intent of this measure is to preserve the Front Street Apartments on the island of Maui as affordable housing.

More specifically, the measure directs the Hawaii Housing Finance and Development Corporation, or any appropriate entity of the State as determined by the Governor, to initiate negotiations to use public financing resources to:

- (1) Maintain the status of the units of the Front Street Apartments on the island of Maui as affordable housing through at least 2027; or
- (2) Acquire the Front Street Apartments real property and the improvements thereupon in order to preserve the units as affordable housing.

Your Committee received written comments in support of this measure from the Office of the Mayor of the County of Maui, Maui Councilmember Stacy Helm Crivello, the Front Street Affordable Apartments Committee, and twenty individuals.

Your Committee received written comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that there is a severe shortage of affordable housing on the island of Maui. More than two hundred fifty low-income individuals currently reside at the Front Street Apartments, which were developed in 2001 as an affordable rental housing project that was expected to provide affordable housing to low-income residents for fifty years.

Your Committee further finds that the owners of the Front Street Apartments recently exercised an option to remove the property from affordability requirements that were tied to the development of the property. This change will allow them to begin renting available apartments at market rates and to raise rents for existing tenants within a few years.

Your Committee also finds that many tenants of the Front Street Apartments are worried that the removal of affordability requirements could leave them homeless. Your Committee believes that this measure will enable the State to preserve the Front Street Apartments as affordable housing.

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 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. 1266, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1266, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 667 Ways and Means on S.B. No. 776

The purpose and intent of this measure is to recast the Hawaii Invasive Species Council as the Hawaii Invasive Species Authority and to provide the new entity with expanded authority.

Specifically, this measure:

- (1) Recasts the Hawaii Invasive Species Council as the Hawaii Invasive Species Authority within the Department of Agriculture for administrative purposes;
- (2) Expands the membership of the governing board;
- (3) Requires the Hawaii Invasive Species Authority to coordinate the implementation of the Hawaii interagency biosecurity plan; and
- (4) Appropriates funds for the operation of the Hawaii Invasive Species Authority and for invasive species programs.

Your Committee received written comments in support of this measure from the Department of Transportation, the Department of Agriculture, the Department of Land and Natural Resources, the University of Hawaii System, the Democratic Party of Hawaii, Neighborhood Cats, Local Food Coalition, the Coordinating Group on Alien Pest Species, the Conservation Council for Hawaii, Hawaii Cattlemens Council, Hawaii Green Growth, The Nature Conservancy, and nine individuals.

Your Committee received written comments in opposition to this measure from the Best Friends Animal Society, For Forgotten Felines, Animal Rights Hawaii, and four individuals.

The Department of the Attorney General and the Hawaii Farm Bureau submitted comments on this measure.

Your Committee finds that invasive species can have a devastating impact on Hawaii's native wildlife and agricultural industry. Your Committee further finds that the establishment of the Hawaii Invasive Species Authority will place the management and control of invasive species under a single entity with dedicated staff and resources. Your Committee believes that this will help to better coordinate the efforts of the Department of Land and Natural Resources and the Department of Agriculture to combat invasive species and protect the environment of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated for positions and other operating expenditures of the Hawaii Invasive Species Authority for fiscal years 2017-2018 and 2018-2019 from \$500,000 to an unspecified amount;
- (2) Changing the amount appropriated for invasive species programs and projects for fiscal years 2017-2018 and 2018-2019 from \$10,000,000 to an unspecified amount;
- (3) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure; and
- (4) Making a technical nonsubstantive amendment to correctly reference the National Invasive Species Council.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 776, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 776, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 668 Ways and Means on S.B. No. 992

The purpose and intent of this measure is to clarify the actions that the Department of Land and Natural Resources may take when responding to grounded vessels.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and Ocean Tourism Coalition.

Your Committee received written comments in opposition to this measure from an individual.

Your Committee finds that the Department of Land and Natural Resources is currently authorized to assume control of and remove a vessel grounded on a coral reef or in imminent danger of breaking up. This authority leaves out various other places that vessels become grounded, including state submerged lands, shorelines, sand beaches, sand bars, and mud flats. Leaving vessels grounded in these places can pose environmental and public safety risks. Your Committee believes that these risks can be decreased and mitigated by explicitly authorizing the Department to assume control of and remove vessels grounded in these locations.

Your Committee has amended this measure by:

- (1) Specifying that the owner or operator of a vessel grounded on state submerged lands, shorelines, or coral reefs shall be responsible for removing the vessel;
- (2) Clarifying that the entirety of section 200-47.5, Hawaii Revised Statutes, shall apply whether a vessel is attended or deemed derelict under section 200-48, Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive changes 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. 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, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 669 Ways and Means on S.B. No. 974

The purpose and intent of this measure is to limit the privilege of parking a vehicle in a metered parking space by disabled persons.

More specifically, this measure would allow parking without payment of parking meter fees for a maximum of two-and-a-half hours or the maximum time the meter allows, whichever is longer, only by permittees who are licensed drivers and not able to reach or operate parking meters because of a disability.

Your Committee received written comments in support of this measure from the Disability and Communications Access Board, the Downtown-Chinatown Neighborhood Board, and one individual.

Your Committee finds that the current exemption for disabled persons to park vehicles in metered parking spaces without paying parking meter fees for an initial period exceeds the original intent of section 291-55, Hawaii Revised Statutes. The original purpose of the statute was not to provide free parking for all disability parking permit holders, nor to permit persons other than permit holders to avoid paying parking meter fees by illegally using permits issued to family members or others.

Your Committee further finds that this measure will narrow the exemption from payment of parking meter fees to only licensed drivers who cannot reach or operate a parking meter because of their disability, and will require qualified permit holders to display a distinguishing permit or decal in their vehicles while parked in metered parking spaces to signify their exemption from payment for an initial period.

Your Committee has amended this measure by specifying that qualified disability parking permit holders will be exempt from parking meter fees for the first two-and-a-half hours, rather than a maximum of two-and-a-half hours, or the maximum amount of time the meter allows, whichever is longer.

As affirmed by the record of votes of the members of your Committee 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, 9. Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 670 Judiciary and Labor on S.B. No. 519

The purpose and intent of this measure is to specify that citizen complaints against a police officer that involve allegations of domestic violence against a family or household member on the part of the police officer are not required to be in writing or sworn to by the complainant.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Women's Caucus of the Democratic Party of Hawai'i, American Association of University Women of Hawaii, Americans for Democratic Action Hawai'i, Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, Hawaii Women's Coalition, and eleven individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, County of Maui and State of Hawaii Organization of Police Officers. Your Committee received comments on this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that curtailing domestic violence is important for the health, safety, and welfare of citizens and that a vital part of reducing domestic violence is ensuring that those reporting acts of domestic violence feel secure and confident in coming forward with complaints. The fear of chilling the voices of those wishing to report acts of domestic violence is particularly worrisome when those reports complain of acts of domestic violence perpetrated by a police officer against a family or household member. Accordingly, this measure allows an individual to make a complaint against a police officer alleging an act of domestic violence against a family or household member without being required to swear to or make the complaint in writing.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 519, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 519, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 671 Judiciary and Labor on S.B. No. 603

The purpose and intent of this measure is to create restrictions and guidelines on the use of administrative segregation and disciplinary segregation in correctional facilities by:

- (1) Establishing the maximum length of time that an inmate may be held in administrative or disciplinary segregation;
- (2) Establishing procedures for continued placement in administrative or disciplinary segregation;
- (3) Creating restrictions on the deprivation of certain necessities of an inmate in administrative or disciplinary segregation;
- (4) Establishing guidelines for the use of administrative or disciplinary segregation on a member of a vulnerable population;
- (5) Establishing criteria for classifying an inmate as a member of a vulnerable population; and
- (6) Requiring all correctional facilities' staff who work with inmates held in administrative or disciplinary segregation to undergo appropriate training to develop the necessary skills for protecting the mental and physical health of inmates held in administrative or disciplinary segregation.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons, American Civil Liberties Union of Hawai'i, and thirteen individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety. Your Committee received comments on this measure from one individual.

Your Committee finds that there are two types of solitary confinement that are commonly used in correctional facilities. Administrative segregation is used when inmates are deemed a risk to the safety of other inmates or correctional facility staff and can result in the inmate being placed into an isolation unit for months or years. Disciplinary segregation is used when inmates break the rules of the correctional facility and results in the inmate being separated from other inmates for a specified period of time.

Your Committee notes the concerns raised in written testimony that administrative segregation and disciplinary segregation can cause serious, long-lasting harm and have been used on vulnerable populations, such as juveniles, lesbian, gay, bisexual, transgender,

and intersex inmates. Accordingly, this measure provides guidelines and criteria for the use of administrative segregation and disciplinary segregation to ensure inmates are provided basic standards of decency.

Your Committee further notes the written testimony submitted by the Department of Public Safety that this measure contradicts its existing departmental policy and practices regarding administrative segregation and disciplinary segregation. Your Committee believes that this issue merits further discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 603, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 603, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 672 Judiciary and Labor on S.B. No. 898

The purpose and intent of this measure is to allow law enforcement to seize and retain firearms or ammunition owned, possessed, or controlled by a person who poses a serious risk of violence or harm to public safety, pursuant to a court order, by establishing specific criteria for the issuance of a warrant to search for, seizure of, hearings regarding, retention of, and return of firearms or ammunition, if certain conditions are met.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Office of Homeland Security, Department of Defense; Police Department, City and County of Honolulu; Police Department, County of Kauaʻi; Office of the Prosecuting Attorney, County of Hawaiʻi; and seven individuals. Your Committee received testimony in opposition to this measure from the National Rifle Association Hawaii, Institute for Rational and Evidence-based Legislation, Lessons In Firearms Education, and one hundred six individuals.

Your Committee finds that existing law disqualifies certain persons from owning a firearm or ammunition. However, there are occasions where law enforcement becomes aware of a person who poses serious risk of violence or harm to public safety, but is not disqualified from firearms ownership pursuant to state law. This measure includes such persons as persons who are disqualified from firearms or ammunition ownership due to them having certain traits or characteristics or a proclivity toward violence or harm against the public and provides those persons with certain due process safeguards.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 898, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 898, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Gabbard). Noes, none. Excused, 1 (Kim).

SCRep. 673 Judiciary and Labor on S.B. No. 1277

The purpose and intent of this measure is to:

- (1) Allow the minutes of a board to be written or recorded by analog or digital means; and
- (2) If the minutes are recorded by analog or digital means, require a written summary of the recording to accompany the recording.

Your Committee received testimony in opposition to this measure from the Office of Information Practices, Disability and Communication Access Board, League of Women Voters of Hawaii, The Civil Beat Law Center for the Public Interest, and one individual.

Your Committee finds that existing law requires boards and commissions to keep written minutes of all meetings. By allowing boards and commissions the flexibility to make their minutes available through analog or digital means, this measure may reduce some expense for boards and commissions to comply with the law for public agency meetings.

Your Committee notes the concerns raised in written testimony submitted by the Office of Information Practices and League of Women Voters of Hawaii that the written summary of the recording required to accompany the recording lacks specific criteria. Furthermore, concerns were raised in written testimony submitted by The Civil Beat Law Center for the Public Interest regarding the availability of the minutes recorded by analog or digital means.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that the written summary of the recording includes any significant actions taken by the board, including any motions and votes made by the board;
- (2) Amending section 92-9(b), Hawaii Revised Statutes, to:

- (A) Require that the recorded minutes be made available within ten days after the board meeting, with certain exceptions; and
 - (B) Require the board to maintain reasonable care of any original or duplicate recordings of minutes that are recorded by analog or digital means; 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. 1277, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1277, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 674 Judiciary and Labor on S.B. No. 146

The purpose and intent of this measure is to:

- (1) Permit an administrative order to overcome a patient's objection to psychiatric treatment; and
- (2) Establish criteria for treatment over objection and the administrative authorization process for administratively ordering treatment over objection.

Your Committee received testimony in support of this measure from the Department of Health, Department of Public Safety, and The Queen's Health Systems. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawai'i. Your Committee received comments on this measure from the Judiciary and Hawaii Disability Rights Center.

Your Committee finds that it is important for the initiation of treatment for patients admitted to the Hawaii State Hospital, which is used primarily for forensic commitments, to be expedient in order to address patients' psychiatric symptoms, which often generate a risk of safety to the patient and others. Expedient initiation of treatment will help maintain a safe and secure therapeutic environment for patients and staff, and have a positive impact on patients' length of stay.

Your Committee further finds that the current method to obtain an authorization to provide treatment over a patient's objection is by a judicial hearing. The time between petition and judicial hearing is unpredictable and is on average nearly seventeen days. Your Committee notes that other states have responded to the unpredictability and delay of waiting for court hearings by developing a non-judicial, administrative mechanism to review and authorize requests for treatment over a patient's objection. This measure recognizes the importance of providing the details of an administrative process for authorizing treatment over a patient's objection and provides guidance for such a process.

Your Committee recognizes that while involuntary treatment necessarily gives rise to constitutional issues relating to minimum safeguards for due process, your Committee understands that professionals at state psychiatric facilities need to make serious day-to-day decisions with respect to medication for the safety of all patients and facility employees. Your Committee hopes that as this measure moves through the legislative process, the State and other stakeholders will continue to work together to find a balanced and refined approach so that this process may occur in a timely and fair manner.

Your Committee has amended this measure by:

- (1) Adopting language suggested by the Department of Health that:
 - (A) Clarifies treatment over objection is for medical, rather than psychiatric, conditions or symptoms;
 - (B) Deletes from the criteria for treatment over objection references to a patient residing in a special treatment facility;
 - (C) Broadens the scope of treatment from treatment with medication to a proposed treatment that is medically appropriate under the criteria for treatment over objection;
 - (D) Clarifies under the criteria for treatment over objection that the treatment is essential to forestall the danger posed by the patient's condition after considering less intrusive alternatives;
 - (E) Authorizes the Director of Health to order a patient who is in the Director's administrative custody and in a psychiatric facility to order the patient to receive medical treatment over objection through an administrative process;
 - (F) Clarifies the rights a patient is afforded when ordered to receive medical treatment over objection through an administrative process; and
 - (G) Exempts the administrative process for ordering medical treatment over objection from the contested case hearing requirements under chapter 91, Hawaii Revised Statutes;
- (2) Adopting language suggested by the American Civil Liberties Union of Hawai'i as a due process safeguard required under the administrative process, which requires a finding that the patient's illness satisfies certain criteria and that lack of treatment alone cannot satisfy the requirement that the patient is dangerous to self or others; 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. 146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 146, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 675 Judiciary and Labor on S.B. No. 305

The purpose and intent of this measure is to specify that video monitoring and recording of medical marijuana production center and retail dispensing location premises shall be retained for a period of forty-five days.

Your Committee received testimony in support of this measure from Cure Oahu, Drug Policy Forum of Hawaii, Hawaii Educational for Licensed Therapeutic Healthcare, and five individuals. Your Committee received testimony in opposition to this measure from the Department of Health and one individual. Your Committee received comments on this measure from Patients Without Time and one individual.

Your Committee finds that existing law does not specifically address video surveillance data storage retention requirements. Instead, dispensary licensees must adhere to the Department of Health's administrative rules, which require dispensary licensees to retain video surveillance recordings for a minimum of 365 days. Your Committee further finds that this administrative rule may be excessive and overly burdensome for dispensary licensees and notes that other states with medical marijuana dispensary systems have set video surveillance data storage retention requirements between thirty to forty-five days. These shorter retention periods still enable dispensaries and production centers to maintain high quality video surveillance that provides safeguards for the public and licensees. This measure conforms with the video surveillance data storage retention requirements of other states to enable dispensary licensees to maintain overall security without compromising video surveillance quality.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 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, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 676 Judiciary and Labor on S.B. No. 419

The purpose and intent of this measure is to:

- (1) Require compliance with the Military Selective Service Act to be eligible for enrollment in a state-supported post-secondary institution, qualify for state financial assistance for post-secondary education, or be eligible for state or county employment or service; and
- (2) Provide certain exceptions to registering with the Selective Service System.

Your Committee received testimony in opposition to this measure from the Hawai'i Civil Rights Commission. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that compliance with the Military Selective Service Act (Act) is essential for the continued existence of a military force for the protection and security of all citizens. However, many who are required to register for selective service do not register. Given the importance of compliance with the Act, this measure conforms with similar selective service registration requirements of the federal government to ensure and increase compliance with the Act.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 419, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 419, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 677 Ways and Means on S.B. No. 26

The purpose and intent of this measure is to appropriate funds as a grant-in-aid to the Office of the Prosecuting Attorney of the County of Hawaii for the Career Criminal Prosecution Unit.

Your Committee received written comments in support of this measure from the Department of the Attorney General; County of Hawaii; Department of the Prosecuting Attorney, City and County of Honolulu; Office of the Prosecuting Attorney, County of Hawaii; Kona-Kohala Chamber of Commerce; and one individual.

Your Committee finds that supporting a strong and effective prosecutor's office is vital to protecting the health, safety, and welfare of the public. In 1979, the Legislature created the Career Criminal Prosecution Program to address the problem of "career criminals" who are responsible for a disproportionate number of the serious crimes committed against the public. This program has been effective in assisting prosecutors' offices in the counties in delivering swift and effective justice.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated from \$200,000 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. 26, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 678 Ways and Means on S.B. No. 407

The purpose and intent of this measure is to broaden the types of short-term investment options for the counties, including money market mutual funds.

This measure also prohibits investments that may require future payments by the county, such as swap agreements and hedge agreements, or which bear variable interest rates that may cause market price fluctuations.

Your Committee finds that this measure will increase flexibility for the counties by allowing the same investment options afforded to the State. On the other hand, this measure also contains restrictive language for specific investments that provide further safeguards and clarification.

Your Committee has amended this measure by correcting the term “money market mutual fund” to “money market fund.”

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 407, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 407, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 679 Ways and Means on S.B. No. 885

The purpose and intent of this measure is to permit the Comptroller to acquire risk management, investigative, claims adjustment, actuarial, and other services on a fee for services compensation method by exempting licensed individuals and entities from applicable regulations found within the insurance code.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee received written comments on this measure from the Insurance Division of the Department of Commerce and Consumer Affairs and the Department of the Attorney General.

Your Committee finds that the only method by which the Comptroller is authorized to acquire insurance brokerage services is by a commission that is negotiated between the insurance company and the State’s insurance broker. In certain cases where commissions have increased due to increased premiums, a fixed fee rather than a commission-based fee would have been cost effective for the State. On the other hand, in cases where premiums are rapidly declining, the commission model may be a better option for the State. Accordingly, your Committee believes that granting the Comptroller the flexibility to determine the method by which it acquires insurance brokerage services will provide the State with cost savings.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of style and clarity and to comport with recommended drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 680 Ways and Means on S.B. No. 887

The purpose and intent of this measure is to establish a prepaid wireless E911 surcharge of 1.5 per cent, to be imposed on prepaid wireless telecommunications services at the point of sale.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, Hawaii Police Department, Kauai Police Department, Maui Police Department, CTIA, Verizon, and one individual. Hawaii Association for Justice and Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that this measure will ensure parity between consumers of postpaid and prepaid wireless telecommunications services. Up to an estimated ten to twenty per cent of wireless telecommunications use is by consumers with prepaid wireless phones. Users of prepaid wireless telecommunications services benefit from being able to use enhanced 911 features, yet are exempt from the \$0.66 monthly per-line surcharge that is currently imposed on consumers of postpaid wireless telecommunications services via their monthly bill. As a result, postpaid consumers in effect subsidize prepaid consumers’ share of the costs for the enhanced 911 system. This measure aims to eliminate this inequity and generate additional revenue that can be used to maintain and upgrade the enhanced 911 system.

Your Committee has amended this measure by:

- (1) Clarifying that sellers of prepaid wireless telecommunications services may deduct and retain three per cent of the prepaid wireless E911 surcharges they collect, for the purpose of offsetting administrative expenses associated with collecting the surcharge from consumers;
- (2) Clarifying that sellers shall remit the balance of surcharges collected to the Enhanced 911 fund and not the Enhanced 911 Board;
- (3) Clarifying that the frequency of remittance of surcharges by a seller is based on the dollar amount of surcharges the seller expects to collect during the year, as opposed to the actual amount of surcharges the seller will collect during the year;
- (4) Replacing, with regard to collected surcharges, references to “file” and “filing” with “remit” and “remittance”; and
- (5) Making technical, nonsubstantive changes 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. 887, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 887, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 681 Ways and Means on S.B. No. 773

The purpose and intent of this measure is to facilitate the implementation of an industrial hemp pilot program in the State.

More specifically, the measure prepares for the implementation of the industrial hemp pilot program established within the Department of Agriculture by:

- (1) Establishing an industrial hemp special fund to carry out the purposes of the pilot program;
- (2) Providing that for the effective period of a license issued under the pilot program:
 - (A) The cultivation of industrial hemp or industrial hemp cultivated for the purposes of the pilot program shall qualify as an agricultural product, use, and activity by the relevant county; and
 - (B) Any agricultural land used for the cultivation of industrial hemp for the purposes of the pilot program shall qualify for the minimum dedication period and be assessed at the lowest percentage of fair market value or other calculation provided for by ordinance;
- (3) Limiting the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district; and
- (4) Appropriating out of the general revenues of the State of Hawaii \$258,298 for fiscal year 2017-2018 and \$324,796 for fiscal year 2018-2019 to fund one full-time equivalent (1.0 FTE) program coordinator position and one full-time equivalent (1.0 FTE) inspector position within the Department of Agriculture for the pilot program.

The Department of Agriculture and Kihei Community Association submitted written comments in support of this measure.

The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that that Act 228, Session Laws of Hawaii 2016, established an industrial hemp pilot program to authorize the cultivation of industrial hemp and distribution of its seed in Hawaii through limited activities by licensee-agents of the Board of Agriculture for purposes of agricultural or academic research. Your Committee further finds that although the industrial hemp pilot program has been developing administrative rules, the provisions of this measure would facilitate the program's commencement.

Your Committee has amended this measure by:

- (1) Replacing the amounts appropriated with unspecified sums;
- (2) Replacing the number of funded positions with unspecified numbers; and
- (3) Changing its effective date to March 9, 2092, for the majority of the measure and to July 1, 2092, for section 4, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 773, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 773, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 682 Commerce, Consumer Protection, and Health on S.B. No. 708

The purpose and intent of this measure is to prohibit:

- (1) The creation of a condominium property regime on agricultural land twenty-five acres or greater;
- (2) A condominium property regime on agricultural land from being amended to allow a single-family dwelling;
- (3) The subdivision of agricultural land twenty-five acres or greater for the purpose of creating a condominium property regime; and

- (4) Any project consisting of single-family dwellings created as a condominium or a planned community association in class A or B agricultural lands.

Your Committee received testimony in support of this measure from the Department of Agriculture, Americans for Democratic Action – Hawai‘i, Sierra Club of Hawai‘i, and ten individuals. Your Committee received testimony in opposition to this measure from the Office of Planning; Hawaii Cattlemen’s Council, Inc.; PonoHolo Ranch Ltd; Larry Jefts Farms, LLC; Kukaiau Ranch LLC; Maui Cattle Company, LLC; Land Use Research Foundation of Hawaii; and five individuals. Your Committee received comments on this measure from the Land Use Commission.

Your Committee finds that a condominium property regime is an alternative to the subdivision of a parcel of land. When applied to agricultural land, it can theoretically result in a larger contiguous area available for farming than what would be available under a subdivision. However, without sufficient controls, monitoring, and enforcement, condominium property regimes have resulted in the establishment of “gentleman farms” where farm dwellings are constructed but not connected to a farm or agricultural activity that provides income to the family occupying the dwelling.

Your Committee further finds that there are serious concerns regarding the encroachment of low-density, higher-valued residential uses on Hawai‘i’s agricultural lands. However, according to testimony received by your Committee, a blanket prohibition on the use of condominium property regimes on agricultural land to address residential encroachment may eliminate the condominium property regime as an important tool for legitimate farmers. Agricultural condominium property regimes can lower costs to farmers, farm cooperatives, or other farm entities by making it easier to access agricultural lands and reducing the cost of agricultural infrastructure and operations. Amendments to this measure are therefore necessary to ensure that large-scale agriculture remains viable in the State.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the prohibitions on creation of condominium property regimes shall only apply in any county where one-third or less of the county’s land is classified in the state agricultural district; and
- (2) Making 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, Consumer Protection, and Health 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, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 683 Ways and Means on S.B. No. 1313

The purpose and intent of this measure is to establish a statewide agricultural development and food resiliency strategy and goals.

Specifically, this measure:

- (1) Requires the Department of Agriculture to establish a strategy and identify goals for increased food security and self-sufficiency in Hawaii; and
- (2) Appropriates funds to:
 - (A) Promote locally grown food;
 - (B) Expand and improve branding of locally grown food;
 - (C) Promote farmers markets;
 - (D) Establish a farm to school pilot program in charter schools;
 - (E) Develop good agricultural practices for school gardens;
 - (F) Establish specialists to certify farm food safety;
 - (G) Develop regional agriculture infrastructure master plans; and
 - (H) Restore food inspection, pest control, biosecurity, market research, and agricultural statistics positions.

Your Committee received written comments in support of this measure from the Office of Planning, the Department of Agriculture, the University of Hawaii System, Hawaii Farm Bureau, and Ulupono Initiative.

Your Committee finds that Hawaii imports approximately ninety-two per cent of its food. Your Committee further finds that requiring the Department of Agriculture to establish a plan to increase production and demand for local food and providing funding for various agricultural programs will help to increase the amount of local food consumed in the State, reduce Hawaii’s reliance on imported food, and create jobs.

Your Committee has amended this measure by:

- (1) Changing the effective date to March 9, 2022, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1313, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1313, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 684 Ways and Means on S.B. No. 7

The purpose and intent of this measure is to require the Department of Human Services to review and report on its Hawaii pathways project.

Specifically, this measure requires the Department of Human Services to:

- (1) In collaboration with the Department of Health, review the progress of the Hawaii pathways project pilot and continue to pursue efforts to utilize Medicaid to provide supportive housing services for chronically homeless individuals; and
- (2) Report to the Legislature regarding the status of its efforts.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Pacific Health, and three individuals.

Your Committee received written comments on this measure from the Governor's Coordinator on Homelessness.

Your Committee finds that the homelessness epidemic is one of the most significant and challenging problems facing the State. For many individuals with complex health issues, housing instability can be a significant barrier to receiving regular health care access, which results in the excessive use of emergency room, inpatient, and crisis services. Providing the chronically homeless with supportive housing services can lessen the burden facing the State's health care system.

Your Committee further finds that the Department of Human Services and Department of Health have initiated a project to target supportive housing services for certain chronically homeless individuals. While the project is still new, it has proven successful in meeting the housing and health care needs of its participants. Status reports of the project will provide the Legislature with the information necessary to develop a comprehensive strategy to combat the State's homeless epidemic.

Your Committee has amended this measure by inserting an appropriation for an unspecified amount, with a federal matching funds requirement, to be expended by the Department of Human Services for the purposes of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 7, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 7, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 685 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 1105

The purpose and intent of this measure is to:

- (1) Expand the types of rental housing projects that can be exempt from general excise taxes; and
- (2) Allow the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Housing Finance and Development Corporation, Hawai'i Construction Alliance, Hawaii Rental Housing Coalition, and one individual. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Hawaii Community Development Authority, and General Contractors Association of Hawaii.

Your Committees find that the State is experiencing a critical shortage of affordable housing. Your Committees further find that private sector construction and development entities have taken steps to improve the economics of building and operating rental housing in Hawaii. This measure supports private development entities that provide affordable housing units by expanding the types of projects that may be exempt from general excise taxes.

Your Committees have amended this measure by:

- (1) Clarifying that the amendments to section 104-2(h), Hawaii Revised Statutes, apply to housing projects and not all public works projects;
- (2) Inserting an effective date of January 7, 2059, 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 S.B. No. 1105, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1105, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).
Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 686 Ways and Means on S.B. No. 602

The purpose and intent of this measure is to repeal the requirement that a disabled veteran be in receipt of disability retirement pay in order to qualify for an exemption from the payment of annual vehicle registration fees.

The Office of Veterans Services submitted written comments in support of this measure.

Your Committee finds that the State should honor its disabled veterans. State law currently exempts any disabled veteran from the payment of all annual registration fees for one of the veteran's noncommercial vehicles; provided that the veteran satisfies certain conditions. One of the conditions requires the veteran to be in receipt of disability retirement pay. Your Committee believes that the removal of this unnecessary condition will allow more disabled veterans to benefit from the exemption.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 602 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 687 Ways and Means on S.B. No. 857

The purpose and intent of this measure is to prohibit employers from denying workers' compensation claims without reasonable cause or during a pending investigation.

In addition, this measure specifies a process for resolving billing disputes between the employer and the medical service provider and assesses a penalty on parties who fail to negotiate in good faith.

Your Committee received written comments in support of this measure from ILWU Local 142 and the Hawaii Chapter of the American Physical Therapy Association.

Your Committee received written comments in opposition to this measure from the Chamber of Commerce Hawaii, General Contractors Association of Hawaii, and Hawaii Insurers Council.

Your Committee received written comments on this measure from the Department of Human Resources Development and the Department of Labor and Industrial Relations.

Your Committee finds that Hawaii's workers' compensation system has been plagued by delays and denials of claims, which exacerbate the recovery of injured workers. Your Committee further finds that employers should be limited in their ability to deny claims pending investigation and be held accountable for processing claims for medical services in a timely manner. Your Committee recommends that the measure's stakeholders work towards a common solution as this measure continues to move through the legislative process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 857, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 688 Ways and Means on S.B. No. 502

The purpose and intent of this measure is to ensure equal access to assisted reproductive technologies.

Specifically, this measure requires insurance coverage of in vitro fertilization procedures for:

- (1) Same-sex couples;
- (2) All women, regardless of marital status; and
- (3) Male-female couples for whom male infertility is the relevant factor.

Your Committee received written comments in support of this measure from the Hawaii State Commission on the Status of Women; LGBT Caucus of the Democratic Party of Hawaii; Kaiser Permanente; American Congress of Obstetricians and Gynecologists, Hawaii Section; Planned Parenthood Votes Northwest and Hawaii; Democratic Party of Hawaii; American Association of University Women - Hawaii; RESOLVE: The National Infertility Association; Hawaii LGBT Legal Association; Healthy Mothers Healthy Babies Coalition of Hawaii; Hawaii Women Lawyers; American Civil Liberties Union of Hawaii; Hawaii Women's Coalition; Advanced Reproductive Medicine and Gynecology; and fourteen concerned citizens.

Your Committee received written comments on this measure from the Hawaii Medical Service Association and Hawaii Association of Health Plans.

Your Committee finds that existing law requires insurance companies to cover a one-time benefit for costs associated with in vitro fertilization procedures, but only if a patient's oocytes are fertilized with the patient's spouse's sperm. Insurance companies are not required to provide this benefit to same-sex couples and unmarried women. Consequently, these individuals bear the full cost of the procedures, which are about \$10,000 to \$15,000 per cycle. Current law also does not require coverage of male-female couples for whom male infertility is the relevant factor. Your Committee finds that this measure will address these inequalities and ensure that individuals seeking medical fertility assistance are not discriminated against on the basis of sex, sexual orientation, or marital status.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 502, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 689 Ways and Means on S.B. No. 1104

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Maui All Natural Alternative, LLC, with the development of a project to provide municipal sludge processing and renewable energy at the Wailuku-Kahului wastewater reclamation facility on Maui.

Your Committee received comments in support of this measure from the Mayor of the County of Maui; Ulupono Initiative; Alexander & Baldwin, Inc.; Maui All Natural Alternative, LLC; and one concerned citizen.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure authorizes special purpose revenue bonds to assist in the creation of a public purpose project that will provide municipal sludge processing and renewable energy production. The facility created from this project will generate biomethane from the anaerobic digestion of purpose grown energy crops that will be cultivated on former sugar cane land. Your Committee believes that this project will keep former sugar cane lands in active agricultural production while promoting the growth of renewable energy.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1104 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 690 Ways and Means on S.B. No. 441

The purpose and intent of this measure is to increase transparency in the electioneering communication disclosure process.

Specifically, the purpose of this measure is to:

- (1) Require that electioneering disclosure statements be made within twenty-four hours after an electioneering communication, instead of within twenty-four hours of when payment for the communication is made;
- (2) Expand the definition of electioneering communication to include all advertisements sent by mail, instead of only those sent at the bulk mailing rate; and
- (3) Remove the exemption of communications that constitute expenditures from the definition of electioneering communication.

Your Committee received written comments in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that the time period between when an electioneering communication is made to the public and when it is paid for can vary greatly. Your Committee further finds that requiring electioneering disclosure statements to be filed within twenty-four hours of when the electioneering communication is publicly distributed, rather than when the communication is paid for, will establish consistency and promote transparency in the election process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 441, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 691 Judiciary and Labor on S.B. No. 145

The purpose and intent of this measure is to amend the requirements for fitness to proceed examinations when the defendant is in custody or on release by clarifying that the defendant may, without a court order, be transferred, rather than committed, to a hospital or other suitable facility pursuant to the law regarding the transfer of residents of correctional facilities or any agreement entered into between the Department of Health and the Department of Public Safety regarding the transfer of detainees of community correctional centers, when necessary.

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 Department of Public Safety. Your Committee received comments on this measure from the Hawaii Disability Rights Center.

Your Committee finds that it is important to pursue initiatives that promote the safe, effective, and efficient delivery of mental health supports and forensic evaluations. Currently, no clearly defined criteria exist for determining whether it is necessary to transfer a defendant to a hospital to receive a pretrial forensic evaluation. Instead, the court has discretion in the matter, but there is no mental health professional appointed at that juncture in the court proceedings to assess the level of care a defendant might need. This measure clarifies existing law to ensure that transfers to state facilities for evaluation and treatment occur when there is a need for acute hospital level psychiatric treatment for mental illness.

Your Committee notes that while the effective date of this measure is July 1, 2050, the amendments made to section 704-404(2), Hawaii Revised Statutes, are intended to become effective on July 1, 2018, to correspond with the effective date of section 5 under Act 231, Session Laws of Hawaii 2016.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 145, 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, Thielen).

SCRep. 692 Ways and Means on S.B. No. 663

The purpose and intent of this measure is to increase the fine for speeding in a school zone or construction area.

Your Committee received written comments in support of this measure from the Department of Transportation, Maui Police Department, Kihei Community Association, Hawaii Construction Alliance, and Hawaii Strategic Highway Safety Plan.

Your Committee finds that school zones and construction areas have significant pedestrian traffic. Setting higher fines for speeding violations is one method to deter motorists from operating vehicles at dangerous speeds that threaten the vulnerable pedestrians who frequent these areas.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 663 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 693 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 1177

The purpose and intent of this measure is to establish common interest agricultural communities.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau and one individual. Your Committees received comments on this measure from the Department of Agriculture and Office of Planning.

Your Committees find that the proper use of agricultural land has been of concern to the State for decades, particularly in cases where residential structure violations have occurred. Common interest agricultural communities may provide a solution for Hawaii's farmers to farm agricultural land and share agricultural infrastructure and other resources in an economically viable way, while establishing greater accountability to ensure proper land use.

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. 1177, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 694 Transportation and Energy on S.B. No. 283

The purpose and intent of this measure is to rename Mokulele Highway the Maui Veterans Highway.

Your Committee received testimony in support of this measure from the State Office of Veterans' Services and three individuals.

Your Committee finds that Maui has no major roadways commemorating veterans and their role in Maui's history. During World War II, Maui became a forward training center for the war in the Pacific. Many of Maui's beaches were used to rehearse the invasion of Guadalcanal.

Your Committee further finds that Maui's Puunene Airport was built in 1938 by the Territory of Hawaii. In 1940, the United States Navy started using the airport as a base for the Navy's utility squadron VJ-3. The base was commissioned as "Naval Air Station Maui" in 1942. When the Navy built a larger airport at Kahului, it was renamed Puunene Naval Air Station. Puunene Naval Air Station was used for fighter plane training and a base for small planes which towed targets for practice and retrieved the parachutes of target flares. Puunene Naval Air Station was used by the United States Navy and the United States Army. After the war, Puunene Naval Air Station was transferred back to the Territory of Hawaii.

Your Committee additionally finds that there are approximately 9,451 veterans living on Maui. In addition, Mokulele Highway passes along the former location of the Puunene Airport, and the Maui Army National Guard Puunene Armory is located just off the highway, which taken together, gives Mokulele Highway a symbolic connection to Maui's military history.

Your Committee further finds that the heroic veterans living on Maui should be remembered for their sacrifice to our country by naming a highway in their honor.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 283 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 (English, Shimabukuro).

SCRep. 695 Commerce, Consumer Protection, and Health on S.B. No. 667

The purpose and intent of this measure is to exempt nonprofit organizations and their employees from mortgage servicer licensing and regulations.

Your Committee received testimony in support of this measure from the Hawaii Habitat for Humanity Association; Hawai'i Home Ownership Center Mortgage; Habitat for Humanity West Hawaii, Inc.; and three individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from one individual.

Your Committee finds that this measure exempts nonprofit organizations from the State's mortgage servicer law. Your Committee has heard the concerns that this measure will create a regulatory gap at the state level that would be detrimental to Hawaii's mortgage consumers. Regulation of mortgage activity consists of a robust level of regulation at the federal level and equally robust and complementary regulation at the state level. Testimony received by your Committee noted that certain nonprofit organizations are considered small servicers by the Federal Deposit Insurance Corporation and the Consumer Financial Protection Bureau and are thus exempt from certain rules that larger servicers must follow. However, the viability of the federal Consumer Financial Protection Bureau and its rules are currently in question, due to the ongoing changes at the federal level. The current administration has also launched a sweeping review of the federal Dodd-Frank Act rules, which potentially signals a desire to significantly scale back the federal regulatory system and weaken or dismantle the Consumer Financial Protection Bureau. With the uncertainty at the federal level, the Division of Financial Institutions of the Department of Commerce and Consumer Affairs indicated to your Committee its strong concerns regarding the potential removal of nonprofit organizations from state level regulation.

The Division of Financial Institutions also noted that exemption from the mortgage servicer law would mean that if an issue developed between a borrower and an exempt nonprofit mortgage servicer, the borrower could not request the Division's assistance even if payments were misapplied or lost, requests for loss mitigation went unheeded, or an unlawful foreclosure were in process. Although your Committee understands the nonprofit organization that testified before your Committee has not received any consumer complaints in Hawaii, your Committee is compelled to note that any proposed exemption from the mortgage servicer law would affect every nonprofit in the State.

Your Committee is sympathetic to the concerns raised in testimony by the nonprofit organizations and believes that certain amendments to the mortgage servicer law, which would not amount to full exemption, can be made. The Division of Financial Institutions indicated to your Committee that nonprofit mortgage loan origination companies pay a different application and renewal license fee than for-profit companies. The Division also indicated that it regulates companies under the mortgage loan origination law based on a company's particular business license. Thus, a nonprofit organization who is registered under the mortgage loan originator law is regulated under a so-called "light" regulation, which does not require compliance with everything required of a for-profit corporation, as these business models differ. Your Committee concludes that a similar "light" regulation under the mortgage servicers law can apply to nonprofit organizations, which will alleviate some of the compliance-related concerns expressed by the nonprofit organizations, while also maintaining appropriate consumer protections for Hawaii's mortgage consumers.

Accordingly, your Committee has amended this measure by:

- (1) Requiring mortgage servicer licensees to establish an education program that includes development of internal policies, procedures, and controls and an ongoing employee training program;
- (2) Inserting a definition of "nonprofit organization" under the State's mortgage servicer law;
- (3) Lowering the application fee and renewal license fee for nonprofit corporations under the State's mortgage servicer law;
- (4) Deleting language that would have exempted nonprofit organizations and their employees from the licensing and regulations of mortgage services;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 667, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 667, 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 (Kidani, Ruderman).

SCRep. 696 Commerce, Consumer Protection, and Health on S.B. No. 286

The purpose and intent of this measure is to increase certain consumer protection aspects of the deferred deposit loan industry, including:

- (1) Specifying that a customer has the right to rescind a deferred deposit if certain conditions are met;
- (2) Permitting customers to convert a deferred deposit into an installment loan plan in certain circumstances and specifying requirements for the installment loan plan;
- (3) Protecting against harmful collection practices;
- (4) Defining annual percentage rate;
- (5) Requiring a check casher to provide a written agreement to a customer, which clearly discloses specific information associated with the deferred deposit;
- (6) Capping the annual percentage rate at thirty-six percent for deferred deposit of a personal check; and
- (7) Permitting prepayment of deferred deposit agreements with no additional fees.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Office of Consumer Protection; Office of Hawaiian Affairs; FACE Hawaii; Consumers Union; Hawai'i Alliance for Community-Based Economic Development; Hawai'i Appleseed Center for Law and Economic Justice; and Hawaiian Community Assets. Your Committee received testimony in opposition to this measure from the Money Service Centers of Hawaii, Inc.; Dollar Financial Group, Inc.; and Maui Loan, Inc.

Your Committee finds that deferred deposit agreements, commonly referred to as payday loans, are small, short term, unsecured loans that borrowers commit to repay from their next paycheck or a regular income payment. Although alternative financial services can be important vehicles for providing credit to low-income individuals, research from the National Consumer Law Center has shown that regulation is essential to ensure that households using alternative financial services for basic necessities are not further trapped in cycles of debt and poverty. According to testimony received by your Committee, research by the Center for Responsible Lending shows that only two percent of borrowers were able to pay off a payday loan the first time and the average payday loan borrower remains in debt for double the length of time recommended by the Federal Deposit Insurance Corporation. Furthermore, the Consumer Financial Protection Bureau found that four out of five payday loans are rolled over or renewed and, due to high rates and frequent rollovers, three out of five payday loans are made to borrowers whose fees exceed the original amount borrowed.

Your Committee further finds that there is a growing trend around the country to provide more consumer protections for deferred deposit loans. Accordingly, this measure provides a number of critical protections for consumers who take out deferred deposit agreements, including a right to rescind, a right to convert a deferred deposit agreement to an installment loan, protection against harmful collection practices, improved loan disclosures, and prohibitions on prepayment penalties.

This measure also caps the annual percentage rate of deferred deposit agreements at thirty-six percent. According to testimony received by your Committee, in the past few years, eighteen jurisdictions have either capped deferred deposit agreements at thirty-six percent or banned these types of loans completely. The thirty-six percent cap also follows precedent established by the federal government, who in 2006 made it illegal to charge more than a thirty-six percent annual percentage rate on payday loans to active-duty service members and their families. Your Committee additionally finds that there are a number of safe, regulated, small dollar loans with interest rates far below the rates currently charged for deferred deposit agreements. Furthermore, research from the Federal Deposit Insurance Corporation has indicated that small dollar lenders can safely lend at an annual percentage rate of thirty-six percent or less.

Your Committee has amended this measure by:

- (1) Clarifying that the loan payment terms for loan installment plan agreements shall be:
 - (A) A period of at least ninety days, but no more than one hundred eighty days, for a loan amount of \$400 or less; and
 - (B) A period of no more than one hundred eighty days for a loan amount over \$400;
- (2) Requiring a check casher to post a notice informing customers that additional options may be available for safe, regulated, lower-cost, small dollar loans; 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, Consumer Protection, and Health 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, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 697 Commerce, Consumer Protection, and Health on S.B. No. 387

The purpose and intent of this measure is to require a health carrier with a network plan to maintain a network that is sufficient in numbers and appropriate types of providers, to ensure that covered persons under a health benefit plan have access to covered services.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Kaiser Permanente Hawaii, and Hawaii Psychiatric Medical Association. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the federal Patient Protection and Affordable Care Act of 2010 requires that health plans participating in qualified health plans meet network adequacy standards to ensure consumers have access to needed care without unreasonable delay. In November 2015, the National Association of Insurance Commissioners (NAIC) adopted a new Network Adequacy Model Act (Model Act) that established standards for the creation and maintenance of health plan networks and to assure the adequacy, accessibility, transparency, and quality of health care services offered under a network plan.

Your Committee further finds that this measure is Hawaii's adaptation of the NAIC's Model Act and is the product of a working group established by the Insurance Commissioner to create network adequacy policies that balance the realities of Hawaii's unique provider base with a health plan's ability to provide its members with proper access to a sufficient number of in-network primary care and specialty providers.

Your Committee has heard testimony expressing concern over this measure's potential impact on health plans that serve Medicaid beneficiaries. Your Committee notes that such health plans already have network adequacy standards that must meet the criteria of the Department of Human Services' State Medicaid program and criteria of the federal Centers for Medicare & Medicaid Services. Amendments to this measure are therefore necessary to ensure that the State remains compliant with the federal Centers for Medicare & Medicaid Services and that health plans who contract with the Department of Human Services' Med-QUEST Division are not over regulated with potentially conflicting network adequacy standards.

Your Committee has amended this measure by:

- (1) Clarifying that it does not apply to limited benefit health insurance, as provided in section 431:10A-102.5, Hawaii Revised Statutes, except limited scope dental plans or limited scope vision plans;
- (2) Clarifying that Medicaid managed care plans are exempt and shall continue to be subject to the network provider adequacy standards and oversight of the state and federal Medicaid programs;

- (3) Specifying that the Insurance Commissioner has the discretion to determine network sufficiency by considering any reasonable criteria, rather than requiring the Commissioner to consider all specified criteria, regardless of applicability;
- (4) Clarifying that a health carrier shall be responsible for ensuring that a participating provider is furnishing covered benefits to all covered persons; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that testimony from the Department of Commerce and Consumer Affairs requested the addition of two sections of NAIC's Model Act, relating to filing requirements and state administration and contracting; however, the requested language was not included in this amended measure. Your Committee believes additional discussions between interested stakeholders may be warranted regarding whether to incorporate these sections from the Model Act as it moves through the legislative process.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 387, 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 (Kidani, Ruderman).

SCRep. 698 Commerce, Consumer Protection, and Health on S.B. No. 372

The purpose and intent of this measure is to:

- (1) Clarify that the Insurance Commissioner shall ensure that each motor vehicle insurer has made satisfactory arrangements for claims services and adjustment and for policies sold or issued to consumers in the State; and
- (2) Remove the requirement for a physical sales and claims service office in the State.

Your Committee received testimony in support of this measure from State Farm Mutual Automobile Insurance Company. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the State's motor vehicle insurance code currently requires insurers to maintain a physical sales and claims office in Hawaii. However, many products and services traditionally accessed at a physical office can now be obtained digitally through mobile smart phone or internet technology. For example, many insurance applications can now be submitted electronically, claims forms and damage photos can be submitted digitally, and claims adjusters are now able to communicate with claimants and body shops via computer or the telephone. Accordingly, this measure is intended to modernize sales and claims handling for motor vehicle insurance by removing the requirement for motor vehicle insurers to maintain a physical sales and claims service office in the State, while still reserving the power of the Insurance Commissioner to ensure that adequate arrangements have been made for claims service and adjustment.

However, your Committee has heard the concerns that Hawaii's isolated geography necessitates a field presence in the State. According to testimony received by your Committee, requiring insurers to maintain a physical presence in the State assures policyholders of convenient access and prompt claims adjustment that are not dependent on whether a mainland or other remote call center will answer a policyholder's calls. Your Committee understands these concerns and concludes that amendments to this measure are therefore necessary.

Your Committee has amended this measure by:

- (1) Clarifying that motor vehicle insurers are required to maintain at least one physical sales and claims service office in each county;
- (2) Requiring the Insurance Commissioner to submit an annual report to the Legislature prior to each regular session from the Regular Session of 2018 to the Regular Session of 2022, regarding any consumer complaints received as a result of changing the requirements for motor vehicle insurers to maintain a field presence in Hawaii;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion, and inserting a five-year sunset date of June 30, 2022;
- (4) Updating the 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 372, 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 (Kidani, Ruderman).

SCRep. 699 Commerce, Consumer Protection, and Health on S.B. No. 392

The purpose and intent of this measure is to clarify that when a standard proxy form is returned with no boxes checked or more than one box checked, the proxy shall be deemed defective and shall be counted for quorum purposes only.

Your Committee received testimony in support of this measure from Associa, Hawaii Council of Associations of Apartment Owners, Hui 'Oia'i'o, and three individuals. Your Committee received testimony in opposition to this measure from Hawaiian Properties, Ltd.; and two individuals. Your Committee received comments on this measure from the Hawaii State Association of Parliamentarians and Hawaii Chapter of the Community Associations Institute Legislative Action Committee.

Your Committee finds that existing law on voting pursuant to a proxy at a meeting of a condominium association specifies that a standard proxy form must contain boxes for a condominium owner to check and indicate how a proxy is given. Proxy forms may sometimes be returned to an association's secretary or managing agent with more than one box checked, or with nothing marked on the proxy form, which may lead to confusion over how the proxy should be counted. This measure attempts to clarify how proxies should be counted, when the proxies are returned with no boxes checked or more than one box checked.

However, your Committee has heard testimony that existing statutory language on voting pursuant to a proxy also requires a standardized proxy form to contain a box indicating that an owner wishes to obtain a copy of an association's annual audit report. According to testimony received by your Committee, this measure, as currently written, could be construed to deem a proxy defective any time an owner checks the audit box on a proxy form, in addition to a box that indicates how an owner would like the owner's proxy to be given. Amendments to this measure are therefore needed to address these concerns.

Your Committee has amended this measure by:

- (1) Clarifying that when a standard proxy form is authorized by an association, and the proxy is returned with no box or more than one box checked that relates to how an owner may indicate a proxy is given, the proxy shall be counted for quorum purposes only; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 392, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 392, 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 (Kidani, Nishihara, Ruderman).

SCRep. 700 Ways and Means on S.B. No. 725

The purpose and intent of this measure is to expressly prohibit the use of general obligation or revenue bond proceeds to pay for the unfunded pension or other post-employment benefit liabilities accrued for state employees and retirees.

Your Committee received comments on this measure from the Department of Budget and Finance and the Department of the Attorney General.

Your Committee has serious reservations about using bond proceeds to pay down the State's unfunded liabilities, but has decided to move this measure forward in an amended form. This decision is based on the Department of Budget and Finance's belief that use of bond proceeds to fund, to some degree, the State's unfunded pension or healthcare liabilities should be retained as an option, because the bond market and counter-investment market may change in the future.

Accordingly, your Committee has amended this measure by:

- (1) Replacing references to a prohibition on the use of bond proceeds with language that restricts their use;
- (2) Specifying that bond proceeds shall not be used to pay for the unfunded pension or other post-employment benefit liabilities accrued for state employees and retirees, except by a bill approved on final reading by a two-thirds majority vote of the members to which each house of the legislature is entitled; and
- (3) Changing the effective date from July 1, 2017, to August 30, 2050, to facilitate further discussion on the measure.

Your Committee is aware that restricting future legislatures or requiring a supermajority vote for passage of legislation that authorizes a bond issuance may raise constitutional concerns. Despite this issue, your Committee has inserted the supermajority vote requirement for further discussion and, more importantly, to send a message on your Committee's serious reservations about using bond proceeds to pay unfunded liabilities.

Your Committee recommends that the Department of the Attorney General address the possible constitutional problem with the supermajority vote issue, should the measure be considered by subsequent committees.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 725, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 725, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Galuteria, Harimoto, Kahele).

SCRep. 701 Commerce, Consumer Protection, and Health on S.B. No. 104

The purpose and intent of this measure is to clarify the procedures to amend condominium association declarations, bylaws, and other governing instruments.

Your Committee received testimony in support of this measure from the American Heart Association, Hawai'i Public Health Institute, and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii State Association of Parliamentarians, Hawaii Council of Associations of Apartment Owners, Associa, Hui 'Oia'i'o, and thirteen individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that under existing law, sixty-seven percent of all owners within a one-year time frame must vote in favor of a bylaw in order for it to pass. However, bylaw amendments often fail because of poor ballot returns. For example, your Committee has heard testimony that members of a condominium association have been repeatedly unable to amend their bylaws to pass non-

smoking policies due to owner apathy or ballot non-return. This measure attempts to address this issue by lowering the threshold for the vote required to change a condominium's governing documents.

However, your Committee has heard testimony that lowering this threshold requirement could result in unintended consequences. Your Committee notes that a condominium's declaration and bylaws function as the governing foundation for day to day life at condominiums. Your Committee has heard the concerns that lowering the threshold to amend these documents could lead to instability within a condominium, especially if a proposed amendment to a governing document was of a material nature, or otherwise affected the viability or stability of a condominium association, such as amendments affecting voting rights, increases in assessments, responsibility for maintenance and repairs, or hazard and fidelity insurance requirements. Your Committee understands these concerns and concludes amendments to this measure are necessary.

Your Committee has amended this measure by:

- (1) Clarifying that the procedures to amend condominium association declarations, bylaws, and other governing documents shall only apply to those proposed amendments that are not of a material adverse nature to condominium owners or do not imperil the viability or stability of the association;
- (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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 104, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 104, 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 (Ihara, Ruderman).

SCRep. 702 Commerce, Consumer Protection, and Health on S.B. No. 151

The purpose and intent of this measure is to enable condominium associations to adopt rules and regulations that require unit owners to prohibit smoking inside a condominium unit as part of a lease agreement.

Your Committee received testimony in support of this measure from the Department of Health and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Smokers Alliance, Associa, and twenty-two individuals. Your Committee received comments on this measure from the Department of the Attorney General and Hawaii Council of Associations of Apartment Owners.

Your Committee finds that individuals who live in multi-unit housing are susceptible to involuntary exposure to secondhand smoke, especially in Hawaii because of the State's relatively high volume of multi-unit housing dwellers. Secondhand smoke exposure is causally linked to adverse health outcomes among non-smokers, including heart disease, stroke, and lung cancer, and increased risk of severe asthma attacks, respiratory infections, ear infections, and sudden infant death syndrome in children. Although smoke-free multi-unit housing policies protect residents of public housing in Hawaii, the affordable and market-rate sector lack adequate comprehensive protections against secondhand smoke.

Your Committee further finds that, because renters are not a protected class and smoking is not a protected activity, this measure does not implicate the Fair Housing Act, which prohibits discrimination in the sale, rental, and financing of dwellings and in other housing-related transactions based on race, color, national origin, religion, sex, familial status, and disability.

Your Committee has amended this measure by:

- (1) Inserting language that allows condominium associations to also adopt rules that prohibit smoking on lanais and in all common elements;
- (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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 151, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 151, 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 (Ihara, Ruderman).

SCRep. 703 Commerce, Consumer Protection, and Health on S.B. No. 1077

The purpose and intent of this measure is to clarify that a mutual benefit society shall maintain a minimum net worth calculated based on annual net premium revenues and net health care expenditures.

Your Committee received testimony in support of this measure from the Hawaii Medical Assurance Association, Reinsurance Association of America, and Property Casualty Insurers Association of America. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure requires calculation of a mutual benefit society's annual premium revenues, annual health care expenditures, and annual operating expenses on a net basis when determining the mutual benefit society's minimum net worth for purposes of protecting against insolvency.

According to testimony received by your Committee, the use of gross premiums to calculate minimum net worth requirements may not reflect the actual risk retained by a mutual benefit society, which can remove a key incentive for a mutual benefit society to enter into a reinsurance agreement and reduce the benefits of ceding risk. Your Committee also heard testimony that gross premium calculations can cause an avoidance of the use of industry-accepted risk mitigation tools to spread risk, increase financial uncertainty for a mutual benefit society, and diminish economic growth. However, according to testimony from the Department of Commerce and Consumer Affairs, the statutory requirements for calculating a mutual benefit society's minimum net worth intend a gross, rather than net, calculation, as a mutual benefit society is ultimately responsible for all liabilities should its reinsurer fail. Furthermore, the minimum net worth is easier to manipulate if reinsurance recoveries are included in the calculation.

Although your Committee acknowledges the importance of competition in the insurance marketplace and remains sympathetic to the concerns raised by the mutual benefit societies in testimony, your Committee is concerned that this measure would result in lower amounts of mandatory reserve requirements, which are needed to protect the interests of mutual benefit society members in case of insolvency. Amendments to this measure are therefore necessary.

Your Committee has amended this measure by:

- (1) Clarifying that a mutual benefit society's minimum net worth shall be based on gross, rather than net, annual premium revenues and gross, rather than net, annual health care expenditures and operating expenses; 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 Commerce, Consumer Protection, and Health 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 704 Commerce, Consumer Protection, and Health on S.B. No. 1264

The purpose and intent of this measure is to:

- (1) Allow security guards to meet all registration, instruction, and training requirements within sixty days of the first day of employment; and
- (2) Require security guard registration renewal to be no sooner than two years from an applicant's completion of initial registration.

Your Committee received testimony in support of this measure from Securitas Security Services USA, Inc.; and three individuals. Your Committee received testimony in opposition to this measure from the Board of Private Detectives and Guards.

Your Committee finds that this measure provides a sixty-day grace period during which security guards can be employed in a security guard capacity while awaiting completion of registration, instruction, and training requirements. However, your Committee has heard the concerns raised by the Board of Private Detectives and Guards (Board) that this measure will allow any person to act as a guard without first being vetted by the Board to determine that all statutory requirements have been met, including the criminal history record check. According to testimony received by the Board, since the Board started its online application process in May 2016, the Board has found the criminal history record check to be one of the most important and informative steps in the application process, which often reveals essential criminal or conviction information about an applicant. Your Committee is concerned that this measure potentially exposes the public to harm and could expose the State to liability, if a member of the public was harmed by an individual working as a guard prior to a completed application review by the Board.

Your Committee further finds that this measure would also permit variable renewal dates based on an applicant's date of initial registration. According to the Board, a statutorily specified date enables an across-the-board renewal process, the use of online renewals, and a random audit to determine compliance with continuing education requirements. This measure could therefore add significant administrative burdens to the Board and the Department of Commerce and Consumer Affairs (Department).

Your Committee recognizes the difficulties that security guard companies face in trying to maintain adequate numbers of licensed security guards who can meet client expectations. Your Committee notes that the Department and the Board have been working to address the concerns of the security guard industry regarding the registration and renewal process for guard licensure. Furthermore, the Department and interested stakeholders have had an opportunity to discuss potential amendments to this measure that can reduce the time and cost of licensure for security guards and help streamline the registration process without compromising essential consumer protection. Amendments to this measure are therefore necessary to incorporate this compromise language.

Accordingly, your Committee has amended this measure by:

- (1) Allowing for self-attestation of the educational requirement for security guards as part of the application process;
- (2) Reducing the number of hours, from eight to four, of classroom instruction required before a security guard's first day of service;
- (3) Beginning June 30, 2018, reducing the frequency of the four-hour continuing education requirement from every biennial renewal to every other biennial renewal period;
- (4) Authorizing alternative formats for continuing education classroom instruction;
- (5) Removing language that would have permitted a security guard to meet all registration, instruction, and training requirements within sixty days of the first day of employment;

- (6) Removing language that would have permitted security guard registration renewal to be no sooner than two years from an applicant's completion of initial registration;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1264, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1264, 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 (Espero, Ihara, Ruderman).

SCRep. 705 (Joint) Judiciary and Labor and Economic Development, Tourism, and Technology on S.B. No. 488

The purpose and intent of this measure is to allow the court to authorize an individual or entity other than a law enforcement officer to provide technical assistance in executing a search warrant that pertains to an electronic device or storage media.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; and Police Department, City and County of Honolulu.

Your Committees find that existing law requires that a search warrant be executed by a law enforcement officer. However, there are many cases involving electronic evidence where law enforcement officers are unable to execute a search warrant without specialized assistance from non-law enforcement personnel. This measure facilitates more efficient and effective investigations and searches while allowing the judge to set limitations on the manner in which the assistance is provided.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 488, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 488, 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.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 706 Judiciary and Labor on S.B. No. 489

The purpose and intent of this measure is to authorize the Clerk of the Court to grant a single extension of no more than fifteen days for filing with the Supreme Court a response to an application for writ of certiorari upon timely written request of a party; and clarify what constitutes a timely request for an extension.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu and one individual.

Your Committee finds that this measure ensures that a responding party to an application for writ of certiorari in civil or criminal cases is given equal opportunity to respond to an application.

Your Committee has amended this measure by:

- (1) Replacing references to "opposition" with "response" for purposes of consistency; and
- (2) Inserting an effective date of January 7, 2059, 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. 489, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 489, 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, Kim).

SCRep. 707 Judiciary and Labor on S.B. No. 572

The purpose and intent of this measure is to authorize the Office of Information Practices, rather than individual government agencies, to adopt administrative rules regarding agency record protection responsibilities for all state and county agencies that are subject to the Uniform Information Practices Act to uniformly follow and implement.

Your Committee received testimony in support of this measure from the Office of Information Practices and one individual. Your Committee received testimony in opposition to this measure from The Civil Beat Law Center for the Public Interest.

Your Committee finds that existing law authorizes each agency to individually adopt administrative rules to protect agency records and prevent manifestly excessive interference with agency duties. This measure promotes uniformity among agencies that are subject to the Uniform Information Practices Act by authorizing the Office of Information Practices to adopt rules that establish a single standard for agencies to follow.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 572, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 572, 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. 708 (Joint) Judiciary and Labor and Economic Development, Tourism, and Technology on S.B. No. 798

The purpose and intent of this measure is to establish a temporary Telecommuting Task Force to develop incentives and recommendations to encourage and expand telecommuting opportunities in the public and private sectors.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Transportation; and one individual. Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that the dependence of workers on automobiles for the daily commute to work increases traffic-related congestion on Hawaii's roadways, reduces hours in which employees may be productive on the job, causes employees to spend time commuting rather than with family, and results in the people of Hawaii becoming more dependent on foreign fossil fuel sources, which results in increased carbon emissions. Your Committees also find that telecommuting provides an opportunity for employers to increase employee productivity, decrease use of employee sick leave, increase the labor pool, and improve employee retention; therefore, your Committees find that Hawaii should promote efforts to adopt telecommuting as a workplace alternative.

Your Committees have amended this measure by:

- (1) Clarifying that the members of the Telecommuting Task Force shall collectively appoint a chairperson from amongst themselves; and
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 798, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 798, 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.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 709 Judiciary and Labor on S.B. No. 337

The purpose and intent of this measure is to:

- (1) Provide that a candidate committee shall not be required to file a statement of information for an electioneering communication made by a candidate committee that clearly identifies the communication as being paid for by the candidate committee; and
- (2) Repeal the requirement that a candidate committee file a statement of information of the names and addresses of all persons who contributed to the committee or the organization for the purpose of publishing or broadcasting the electioneering communications.

Your Committee received testimony in opposition to this measure from the Campaign Spending Commission.

Your Committee finds that this measure increases efficiency in campaign finance reporting requirements. However, your Committee has concerns regarding whether this measure will reduce transparency in political spending and believes this issue merits further discussion as it moves through the legislative process. Furthermore, your Committee notes that S.B. No. 309, Regular Session of 2017, contains language amending section 11-341, Hawaii Revised Statutes, and believes these two measures have similar purposes.

Accordingly, your Committee has amended this measure by:

- (1) Inserting the contents of S.B. No. 309, Regular Session of 2017, which excludes any advertisement by a candidate or candidate committee from the reporting requirements for electioneering communication, provided that the advertisement is in compliance with the law regarding advertisements;
- (2) Inserting an effective date of January 7, 2059, 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. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 710 Judiciary and Labor on S.B. No. 439

The purpose and intent of this measure is to clarify that increased fines may apply if a noncandidate committee fails to timely file a second preliminary general report with the Campaign Spending Commission.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Common Cause Hawaii, and one individual.

Your Committee finds that Act 79, Session Laws of Hawaii 2015, required noncandidate committees to file an additional preliminary report by October 1 of the year of a general election. This measure makes conforming amendments to make the late filing of a second preliminary general report by noncandidate committees subject to a fine of \$300 per day, which matches the fine imposed on candidate committees that are late in filing preliminary reports.

Your Committee has amended this measure by:

- (1) Clarifying that the monetary fine shall be a maximum of \$300 per day, provided that in the aggregate the fine shall not exceed twenty-five percent of the total amount of contributions or expenditures and a minimum fine of \$300, rather than the aggregate amount only applying to the percentage of the total amount of contributions or expenditures;
- (2) Inserting an effective date of January 7, 2059, 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. 439, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 439, 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. 711 (Joint) Government Operations and Commerce, Consumer Protection, and Health on S.B. No. 1068

The purpose and intent of this measure is to authorize procurement officers to consider a subcontractor's license as valid if the subcontractor was licensed to perform the scope of work indicated at the time of the award.

Your Committees received testimony in support of this measure from the Subcontractors Association of Hawaii; Electrical Contractor's Association of Hawaii; General Contractors Association of Hawaii; S & M Sakamoto, Inc.; Hawaiian Dredging Construction Company, Inc.; Healy Tibbitts Builders, Inc.; Nordic PCL Construction, Inc.; LYZ, Inc.; Ralph S. Inouye Co, Ltd; Hawaii Plumbing Group, LLC; Tomco Corp.; and Jayar Construction, Inc. Your Committees received testimony in opposition to this measure from the Department of Transportation, Ironworkers Stabilization Fund, Plumbing & Mechanical Contractors Association of Hawaii, and one individual. Your Committees received comments on this measure from the State Procurement Office, Department of Commerce and Consumer Affairs, and Contractors License Board.

Your Committees find that the competitive sealed bidding process can be improved by clarifying that under certain conditions a subcontractor's licensing status should not result in bid disqualification or rejection. Your Committees note that this measure still requires all listed subcontractors to be properly licensed at the time of the award. Your Committees further find that exempting bids from disqualification or rejection in limited circumstances may minimize bid challenges, costs, and delays of public works projects while maintaining the integrity of the bid process.

Your Committees have amended this measure by:

- (1) Removing the provision allowing a procurement officer to consider a listed subcontractor's license as valid if the subcontractor was licensed to perform the scope of work indicated at the time of award;
- (2) Inserting a provision that if a procurement officer determines that a subcontractor's license is not valid at the time of the bid due to a lapse in continuous insurance and bond coverage, the bid may not be disqualified or rejected if the subcontractor meets certain conditions;
- (3) Inserting a requirement that the procurement officer report any unlicensed activity at the time of the bid to the Contractors License Board; 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 Government Operations and Commerce, Consumer Protection, and Health 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 placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.
Government Operations: Ayes, 3. Noes, none. Excused, 2 (Rhoads, Ruderman).
Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 712 Commerce, Consumer Protection, and Health on S.B. No. 1263

The purpose and intent of this measure is to require principal brokers in a brokerage firm to ensure that:

- (1) Associated real estate licensees and other staff who assist common interest communities are responsive to requests from owners regarding association-related finances, documents, records, and information; and

- (2) Any request from the Real Estate Commission to distribute Commission-generated information, materials, or documents to an association, a board of directors, or a unit owner in a common interest community is completed within ten days after receiving the request.

Your Committee received testimony in support of this measure from the Real Estate Commission, Hui 'Oia'i'o, and two individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS and Hawaii Council of Associations of Apartment Owners. Your Committee received comments on this measure from Associa.

Your Committee finds that this measure provides an additional measure of protection for owners by requiring the principal broker in a real estate brokerage firm to ensure that associated licensees and other staff who assist with common interest communities are responsive to requests from owners and can assist the Real Estate Commission in distributing Commission-generated information.

Your Committee has heard testimony that boards of directors should be responsible for a decision to produce association-related finances, documents, records, and information or comply with any other mandatory provisions of the State's condominium laws. An amendment to this measure is therefore necessary to clarify that compliance with mandatory provisions of the condominium laws is part of the fiduciary duty a board of directors owes to its association. Your Committee further finds that clearly outlining this duty in statute prevents a board from relying on its managing agent to handle owner requests for documents.

Your Committee has amended this measure by:

- (1) Clarifying that principal brokers shall ensure that all associated real estate licensees and other staff who assist in providing management services for common interest communities are responsive to requests from owners regarding association-related finances, documents, records, and information;
- (2) Clarifying that any violation of a mandatory provision of the State's condominium law by a board or its officers and members is a per se violation of the board's fiduciary duty, but providing a safe harbor provision for a board member who votes for compliance during a board meeting; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 713 Commerce, Consumer Protection, and Health on S.B. No. 287

The purpose and intent of this measure is to require all health insurers in the State, including health benefits plans under chapter 87A, Hawaii Revised Statutes, to disclose on their public websites any standards, criteria, or information used for making preauthorization decisions.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Chapter of the American Physical Therapy Association, and one individual. Your Committee received testimony in opposition to this measure from the Hawai'i Association of Health Plans. Your Committee received comments on this measure from the Hawaii Medical Service Association and Hawaii Medical Association.

Your Committee finds that prior approval for medical services, also known as precertification or preauthorization, refers to health insurer requirements that certain physician-ordered treatments or services must be approved in advance by the insurer or by a medical review service contracted by the insurer before the insurer will provide final reimbursement or payment. Requiring a health insurer to make information about the preauthorization process readily accessible for consumers promotes transparency and ensures consumers have critical information regarding their health care. This measure therefore requires all health insurers in the State to disclose on their websites any standards, criteria, or information used for making preauthorization decisions.

However, your Committee has heard the concerns that the scope of required standards, criteria, or information contemplated by this measure may be overly broad, which may lead to more confusion for consumers and create compliance difficulties for health plans. Amendments to this measure are therefore necessary to ensure that consumers are able to readily access and understand any medical policies associated with a health insurer's preauthorization process.

Your Committee has amended this measure by:

- (1) Requiring all health insurers in the State to disclose on, or have accessible through, their public websites all medical policies, rather than any standards, criteria, or information, the health insurers use when making preauthorization decisions;
- (2) Requiring the disclosure or link to access the medical policies on the public website to be prominently displayed and readily accessible for consumers;
- (3) Specifying that the medical policies shall include a listing of medical services that may be subject to preauthorization review, the preauthorization application procedure, the preauthorization determination criteria, and the procedure to appeal a denial decision;
- (4) Inserting an effective date of upon approval; provided that the requirements for disclosure of medical policies shall take effect on January 1, 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 287, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 287, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 714 Commerce, Consumer Protection, and Health on S.B. No. 627

The purpose and intent of this measure is to:

- (1) Require association members who are not on a condominium board to participate in any deliberation or discussion, including executive sessions with approval by a majority vote of the condominium board members, subject to certain limitations; and
- (2) Allow condominium board members to limit the time provided to any member of the condominium association to participate in deliberations, pursuant to board rules.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners, Associa, Hui 'Oia'i'o, and five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i State Association of Parliamentarians and two individuals.

Your Committee finds that condominium owners provide valuable information and input during board meetings for a condominium association. Accordingly, this measure provides members of a condominium association an opportunity to attend and participate in all meetings of the board of directors of their association of apartment owners, including executive sessions with board approval. However, your Committee has heard testimony that this measure, as written, may affect the ability of boards to conduct board meetings in an efficient manner.

Your Committee notes that unit owners have a right to speak and participate in any deliberation or discussion of a board. However, this participation must be balanced with the board's need to complete its agenda in a timely manner. Enabling a board to establish owner participation rules, and requiring the board to notify owners of such rules, will foster participation while ensuring board meetings can be conducted in an efficient manner. Your Committee further finds that although many boards provide an agenda at board meetings, providing this information in advance, and shortening the time frame under which unapproved final drafts of meetings are made available, will encourage participation and communication between owners and their boards. Amendments to this measure are therefore needed to address these issues.

Your Committee also notes that boards of directors should be responsible for a decision to comply with any other mandatory provisions of the State's condominium laws. An amendment to this measure is therefore necessary to clarify that compliance with mandatory provisions of the condominium laws is part of the fiduciary duty a board of directors owes to its association.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that any violation of a mandatory provision of the State's condominium law by a board or its officers and members is a per se violation of the board's fiduciary duty, but providing a safe harbor provision for a board member who votes for compliance during a board meeting;
- (2) Clarifying that a board is permitted to establish rules for owner participation in any deliberation or discussion at board meetings, other than executive sessions, and specifying that notice must be provided to owners regarding these rules;
- (3) Clarifying that a board, by majority vote, may adjourn a meeting and reconvene in executive session;
- (4) Requiring the notice for board meetings to include a list of items expected to be on the meeting agenda;
- (5) Requiring unapproved final drafts of the minutes of a board meeting to be available within fourteen days after the meeting;
- (6) Removing language that would have permitted a board, by majority vote, to allow members of the association to attend executive sessions to present personal information, as Robert's Rules of Order Newly Revised already permits boards to allow non-board members to attend executive session meetings; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 627, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 627, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 715 Judiciary and Labor on S.B. No. 462

The purpose and intent of this measure is to repeal the requirement that registered voters include their social security numbers when signing nomination papers or when petitioning the Chief Election Officer to withdraw their signatures on nomination papers or other petitions.

Your Committee received testimony in support of this measure from the Office of Elections.

Your Committee finds that Act 167, Session Laws of Hawaii 2016 (Act 167), allows individuals to register to vote by providing their Hawaii driver's license or civil identification card in lieu of their social security number under certain circumstances. Because the Office of Elections will no longer have the social security numbers on record for voters registering after Act 167 takes effect, this measure amends certain sections of law to conform with Act 167.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 462 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. 716 Judiciary and Labor on S.B. No. 150

The purpose and intent of this measure is to require candidates for United States President and Vice President to submit a copy of their most recent income tax return with the sworn application in order to be included on the general election state ballot.

Your Committee received testimony in support of this measure from the Americans for Democratic Action Hawai'i, Common Cause Hawaii, League of Women Voters of Hawaii, and three individuals. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii and one individual. Your Committee received comments on this measure from the Department of the Attorney General and Tax Foundation of Hawaii.

Your Committee finds that a majority of United States presidential and vice presidential candidates have made their income tax returns publicly available for the last forty years. This measure codifies this longstanding practice to increase transparency as well as the public's trust in their national leaders.

Your Committee notes the comments raised in written testimony submitted by the Department of the Attorney General that this measure may pose constitutional problems, especially with regard to whether a state may impose requirements in addition to the residency and age requirements under the United States Constitution for a presidential or vice presidential candidate. However, the Department of the Attorney General noted that states are given plenary authority over selection of electors.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General that:
 - (A) Adds a preamble section regarding the importance of candidates for the office of United States President and Vice President making their most recent income tax returns available to the public;
 - (B) Requires candidates for President and Vice President of the United States to post their most recent income tax return on the Internet at least sixty days prior to and continuing through the date of the general election for free access by the public, rather than submit a copy of each candidate's income tax return with their sworn application, in order to be included on the state ballot, subject to certain conditions; and
 - (C) Prohibits electors from voting for a candidate for President or Vice President of the United States unless both candidates have posted their most recent income tax return on the Internet at least sixty days prior to and continuing through the date of the general election for free access by the public, subject to certain conditions;
- (2) Adding a severability clause;
- (3) Inserting an effective date of January 7, 2059, 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. 150, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 150, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 717 Judiciary and Labor on S.B. No. 492

The purpose and intent of this measure is to amend the conditions under which the definition of "enter or remain unlawfully" applies with reference to criminal trespass in the second degree.

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; The Chamber of Commerce Hawaii; Hawaii Food Industry Association; and one individual. Your Committee received testimony in opposition to this measure from the Office of the Public Defender.

Your Committee finds that the Hawaii Supreme Court held in *State v. King*, 386 P.3d 886 (Haw. 2016), that a violation of "reasonable warning or request" does not constitute defiance of a "lawful order". This measure clarifies that, in the context of the definition of "enter or remain unlawfully", a "lawful order" includes a "reasonable warning or request" issued pursuant to section 708-814(1)(b), Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Amending the offense of criminal trespass in the second degree to repeal the definition of "reasonable warning or request" and clarify that a reasonable warning or request by an owner or lessee of the commercial premises, the owner's or lessee's authorized agency, or a police officer may be communicated in writing at any time within a one-year period inclusive of the date the incident occurred with certain exceptions;
- (3) Inserting an effective date of January 7, 2059, 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. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 718 Judiciary and Labor on S.B. No. 631

The purpose and intent of this measure is to:

- (1) Exempt gifts received by an elected or appointed official on behalf of the State from the gift reporting requirements under the Code of Ethics; and
- (2) Require the gift to be publicly recorded as property of the State and allow the gift to remain with the official's agency or be transferred to the State Archives or State Foundation on Culture and the Arts at the end of the official's term.

Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that elected or appointed officials will periodically accept gifts, such as a piece of artwork given by a foreign dignitary, on the State's behalf. Although existing law does not require such gifts to be reported, this measure explicitly exempts gifts accepted by an elected or appointed official from the gift reporting laws and requires those gifts to remain as the State's property upon the expiration of the elected or appointed official's term.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Hawaii State Ethics Commission that clarifies that a gift subject to this measure must be a gift received by an elected or appointed official on behalf of the State that is tangible and nonperishable;
- (2) Clarifying that the option to retain or transfer the gift applies to state agencies;
- (3) Inserting an effective date of January 7, 2059, 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. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 719 Judiciary and Labor on S.B. No. 895

The purpose and intent of this measure is to:

- (1) Establish the offense of criminal trespass onto state lands to prohibit a person from entering or remaining unlawfully in or upon any improved state land, or in or upon any state land on or under any highway, subject to certain conditions;
- (2) Amend the offense of criminal trespass in the second degree by clarifying that the signs posted to provide notice to a person entering or remaining unlawfully on agricultural lands without the permission of the owner may include language that the agricultural land is government property and no trespassing is allowed; and
- (3) Require the Department of the Attorney General to submit a written report to the Legislature prior to convening of the Regular Session of 2018 regarding the extent to which this measure is utilized.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness; Department of the Attorney General; Department of Public Safety; Department of Land and Natural Resources; Department of Transportation; Department of Accounting and General Services; Department of Agriculture; Department of Taxation; Department of Education; University of Hawai'i System; Department of Defense; Department of Hawaiian Home Lands; Department of Health; Agribusiness Development Corporation; Natural Energy Laboratory of Hawaii Authority; Police Department, City and County of Honolulu; and Institute for Human Services. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that it is unclear whether existing criminal trespass laws apply to improved state lands, state land on or under any highway, or unfenced, unenclosed, or unsecured agricultural lands owned by the State. This measure addresses the application of criminal trespass laws with respect to state lands to provide a stronger and clearer deterrent to illegal activity.

Your Committee has amended this measure by:

- (1) Clarifying under section 708-814(1)(c), Hawaii Revised Statutes, which relates to entering or remaining on agricultural lands without the permission of the owner, that the signs displayed on the unenclosed cultivated or uncultivated agricultural land shall be placed at reasonable intervals along the boundary line of the land and at roads and trails entering the land;

- (2) Requiring the Department of the Attorney General to submit a written report to the Legislature prior to the regular sessions of 2018, 2019, and 2020, rather than only the Regular Session of 2018, regarding the extent to which the criminal trespassing laws have been utilized;
- (3) Inserting an effective date of January 7, 2059, 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. 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, none.

SCRep. 720 Judiciary and Labor on S.B. No. 1282

The purpose and intent of this measure is to:

- (1) Establish that the offense of abuse of a family or household member is a petty misdemeanor with a jail sentence of no less than forty-eight hours and no more than thirty days;
- (2) Establish that a second offense that occurs within five years, rather than one year, of the first conviction of the offense of abuse of a family or household member is a misdemeanor and the person shall be termed a "repeat offender";
- (3) Establish that a third or subsequent offense that occurs within five, rather than two, years of a second or subsequent conviction of the offense of abuse of a family or household member is a class C felony;
- (4) Allow the prosecution to use prior convictions of the offense of abuse of a family or household member as evidence in the instant offense committed by a repeat offender;
- (5) Require that court ordered domestic violence intervention programs include anger management training;
- (6) Require the Judiciary, in cooperation with the prosecutor of each county and police department of each county, to annually compile and report on statistics regarding arrests, charges, and convictions or other dispositions based on the offense of abuse of a family or household member; and
- (7) Repeal and reenact the offense of abuse of a family or household member on June 30, 2020.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Office of the Prosecuting Attorney, County of Kaua'i; Police Department, City and County of Honolulu; Domestic Violence Action Center; Hawaii State Coalition Against Domestic Violence; and six individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender; Department of the Prosecuting Attorney, County of Hawai'i; and Department of the Prosecuting Attorney, County of Maui. Your Committee received comments on this measure from the Judiciary and Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that domestic violence is a serious social issue in Hawaii. Despite a number of laws that protect victims of domestic violence, aim to prevent future incidents of domestic violence, and penalize and provide assistance to domestic violence offenders, the rates of domestic violence occurring in Hawaii have not decreased. Of greater concern is the number of domestic violence incidents committed by repeat domestic violence offenders. Advocates for stronger domestic violence laws contend that part of the problem is that the laws do not impose effective consequences on domestic violence offenders that effectively change their behavior. This measure provides more effective laws to ensure that domestic violence offenders receive appropriate consequences and services for offenders to change their behavior and reduce repeat offenses.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Reinstating language that makes the first offense of abuse of a family or household member a misdemeanor, rather than a petty misdemeanor, with a minimum jail sentence of forty-eight hours;
- (3) Clarifying that the prosecution may use prior convictions of the offense of abuse of a family or household member as evidence in the instant offense committed by a repeat offender for a third or any subsequent offense;
- (4) Deleting language that requires court ordered domestic violence intervention programs to include anger management training;
- (5) Requiring the court to immediately order the defendant incarcerated to serve the mandatory sentence imposed for failure to complete the domestic violence intervention program or violation of any other condition of a sentence imposed pursuant to a deferred acceptance of guilty plea or nolo contendere plea;
- (6) Inserting an effective date of January 7, 2059, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1282, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 721 Ways and Means on S.B. No. 102

The purpose and intent of this measure is to address the federal funding policy study mandated by Act 225, Session Laws of Hawaii 2016.

More specifically, this measure amends Act 225, Session Laws of Hawaii 2016, by:

- (1) Changing the agency responsible for preparing the federal funding policy study from the Office of the Governor to the Department of Budget and Finance;
- (2) Extending the fiscal period to be covered by the study and the deadline for the study's submission to the Governor and Legislature; and
- (3) Amending the appropriation to conform to the change of agency and applicable fiscal year.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that Act 225, Session Laws of Hawaii 2016, required the Office of the Governor to conduct a federal funding policy study. The purpose of this study was to provide state public policymakers with information regarding the possible consequences of major reductions in federal funding of state government programs and projects, and to spur the development of policies to reduce the dependence of state government on federal funds. Your Committee further finds that the Department of Budget and Finance, specifically the Office of Federal Awards Management, is more appropriate than the Office of the Governor to conduct the federal funding policy study.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 102 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Harimoto, Taniguchi).

SCRep. 722 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 718

The purpose and intent of this measure is to:

- (1) Establish a community court outreach project until June 30, 2020, in the City and County of Honolulu under the Judiciary to operate a mobile court that travels to community sites where defendants cited or arrested for nonviolent offenses live or congregate and dispose of these cases after plea agreements are reached by the City and County of Honolulu Prosecutor and Public Defender;
- (2) Require the Chief Justice to determine whether funds are sufficient to administer and operate the community court outreach program and enter into memoranda of agreement with the City and County of Honolulu Prosecutor and Public Defender;
- (3) Require the Chief Justice to submit annual reports to the Legislature and Governor regarding the program measures and outcomes, and any comments and recommendations;
- (4) Appropriate funds to the Judiciary for the establishment, administration, and operation of the community court outreach project; and require the Chief Justice to transfer specific amounts to the City and County of Honolulu Prosecutor and Public Defender for project participation; and
- (5) Appropriate funds to the Department of Public Safety to provide security for the community court outreach project and authorize the Department of Public Safety to establish 2.0 full-time equivalent deputy sheriff positions for the community court outreach project or assign 2.0 full-time equivalent deputy sheriff positions to establish 2.0 new or fill 2.0 vacant full-time equivalent deputy sheriff positions to replace those assigned to the community court outreach project.

Your Committees received testimony in support of this measure from the Governor's Coordinator on Homelessness; Judiciary; Office of the Public Defender; Department of the Prosecuting Attorney, City and County of Honolulu; Community Alliance on Prisons; The Drug Policy Forum of Hawai'i; The CHOW Project; and one individual. Your Committees received comments on this measure from the Department of Public Safety.

Your Committees find that hundreds of Honolulu residents are cited or arrested for nonviolent offenses that do not pose a threat to the public. Once these minor, nonviolent offenders are brought into court, the sentences imposed are often monetary fines because these offenses are not serious enough to warrant incarceration. However, most of the offenders who are fined are unable to pay the fines and remain in the system without a meaningful resolution that will prevent recurrence of the offenses or provide rehabilitative services. By establishing a community court outreach project within the City and County of Honolulu, this measure presents a combination of accountability and treatment options to offenders to reduce crime and recidivism.

Your Committees have amended this measure by:

- (1) Clarifying that the Chief Justice is required to transfer the entire amount of funds for a fiscal year specified in the memoranda of agreement with the Prosecuting Attorney and the Public Defender to each of them within thirty days of entering into the latter dated memorandum of agreement with each of them or by September 1 of that fiscal year, whichever occurs first;
- (2) Deleting the appropriation amount to the Judiciary to administer the community court outreach project and the amounts to be transferred to the City and County of Honolulu Prosecutor and Public Defender for project participation;
- (3) Deleting the appropriation amount to the Department of Public Safety to provide security for the community outreach project;
- (4) Inserting an effective date of January 7, 2019, 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 S.B. No. 718, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 718, 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, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 723 Ways and Means on S.B. No. 648

The purpose and intent of this measure is to amend the State’s income tax law.

More specifically, this measure:

- (1) Expands the income tax credit for low-income household renters, based on adjusted gross income and filing status;
- (2) Establishes a state earned income tax credit;
- (3) Restores the income tax rates for high income brackets that were repealed on December 31, 2015; and
- (4) Removes the sunset date for amendments made to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Americans for Democratic Action Hawaii, Community Alliance on Prisons, Democratic Party of Hawaii, Early Childhood Action Strategy, Hawaii Alliance for Community-Based Economic Development, Hawaii Alliance for Progressive Action, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Children’s Action Network, Hawaii State Democratic Women’s Caucus, Hawaii State Teachers Association, Hawaii Teachers for Change Caucus, Hawaii Women’s Coalition, Hawaiian Community Assets, IMUAlliance, Kupuna Caucus of the Democratic Party of Hawaii, League of Women Voters of Hawaii, Mental Health America of Hawaii, Pele Lani Farm LLC, PHOCUSED, Progressive Democrats of Hawaii, UNITE HERE Local 5, Young Progressives Demanding Action, YWCA Oahu, and one hundred eighteen individuals.

Your Committee received testimony in opposition to this measure from The Chamber of Commerce Hawaii and one individual.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Act 223, Session Laws of Hawaii 2015, temporarily increased the amount of the refundable food/excise tax credit. According to the Department of Taxation, making this increase permanent is expected to result in an annual revenue loss of \$6,500,000.

Your Committee also finds that establishing a refundable state earned income tax credit, set at ten or twenty per cent of the amount of the federal earned income tax credit, is expected to result in the following revenue loss:

<u>Fiscal Year</u>	<u>10%</u>	<u>20%</u>
2018	\$24,500,000	\$49,000,000
2019	\$25,100,000	\$50,200,000
2020	\$25,700,000	\$51,500,000
2021	\$26,400,000	\$52,800,000
2022	\$27,000,000	\$54,100,000

On the other hand, establishing a nonrefundable state earned income tax credit is expected to result in the following revenue loss:

<u>Fiscal Year</u>	<u>10%</u>	<u>20%</u>
2018	\$6,400,000	\$12,700,000
2019	\$8,300,000	\$16,700,000
2020	\$10,200,000	\$20,400,000
2021	\$11,900,000	\$23,800,000
2022	\$13,500,000	\$27,100,000

Your Committee further finds that the state income tax law may be made more progressive by not only reinstating higher income tax rates on high-income taxpayers, but also lowering the rates on the lowest income taxpayers. According to data from the Department of Taxation, reducing income tax rates for lower-income taxpayers will result in lower taxes for the following:

- (1) 15.9 per cent of total resident single filers (40,494 returns);
- (2) 8.8 per cent of total resident joint filers (16,040 returns); and
- (3) 13.0 per cent of total resident head of household filers (8,109 returns).

Reinstating higher tax rates on high income earners will result in higher taxes for the following:

- (1) 1.0 per cent of total resident single filers (2,439 returns);
- (2) 2.0 per cent of total resident joint filers (3,690 returns); and
- (3) 0.4 per cent of total resident head of household filers (220 returns).

Your Committee has amended this measure by:

- (1) Deleting the provisions regarding the income tax credit for low-income household renters;
- (2) Changing the amount of the state earned income tax credit to an unspecified amount;
- (3) Reducing income tax rates for lower income brackets;
- (4) Clarifying the taxable years to which the new income tax rates established by this measure shall apply;
- (5) Appropriating \$250,000 for each year of the 2017-2019 fiscal biennium to the Department of Taxation for certain tax preparation assistance outreach programs, as a means of expanding community participation in the program and reducing preparation error;
- (6) Changing the effective date to August 30, 2050, to facilitate further discussion on the measure; and
- (7) 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. 648, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 648, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Galuteria, Harimoto, Inouye, Kahele).

SCRep. 724 Commerce, Consumer Protection, and Health on S.B. No. 1299

The purpose and intent of this measure is to permit charter tour operators to maintain statutorily required client trust accounts in a federally insured financial institution located outside of Hawaii.

Your Committee received testimony in support of this measure from Vacations Hawaii. Your Committee received testimony in opposition to this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that charter tour operators are currently required to maintain a client trust account in a federally insured financial institution located within the State. However, according to testimony received by your Committee, there is only one financial institution in the State experienced and willing to maintain client trust accounts for charter tour operators. Furthermore, this financial institution has expressed concerns over its continuing ability to maintain a client trust account for a Hawaii charter tour operator. Although the affected charter tour operator and the financial institution have recently agreed to continue their arrangement, a change in the management of the institution or a change in policy that results in a decision to discontinue serving the account will require the charter tour operator to immediately suspend its charter operations in Hawaii.

This measure attempts to address these concerns by permitting a charter tour operator to maintain a client trust account in a federally insured financial institution outside of Hawaii, subject to certain conditions, while also ensuring the charter tour operator remains subject to all other existing requirements for charter tour operators. Your Committee notes that charter tour operators are also subject to the federal Department of Transportation charter trust account regulations, which have very specific and stringent requirements for the maintenance of charter tour trust accounts.

However, your Committee has heard the testimony raised by the Regulated Industries Complaints Office, expressing concerns that this measure, as drafted, poses practical enforcement challenges that may complicate the job of protecting client trust funds. Your Committee understands these concerns and finds that amendments to this measure are necessary to include additional protections for client trust funds. These amendments will help ensure that charter tour operators will be able to continue to serve Hawaii residents, in the event that a Hawaii financial institution is unwilling or unable to service a client trust account, while also maintaining sufficient consumer protections.

Your Committee has amended this measure by:

- (1) Clarifying the requirements a charter tour operator must meet prior to depositing sums in a client trust account maintained in a federally insured financial institution located outside the State, including:
 - (A) Requiring the charter tour operator to provide the Director of Commerce and Consumer Affairs with irrefutable evidence that no financial institution in the State can maintain the charter tour operator's client trust account;
 - (B) Requiring the charter tour operator to file with the Department of Commerce and Consumer Affairs a notarized irrevocable agreement and authorization in writing;
 - (C) Requiring the charter tour operator to bear the cost to reproduce any records requested by the Department;
 - (D) Requiring the charter tour operator to bear the cost of any fees or expenses, including travel expenses, requested by the Department for purposes of an audit or to determine compliance; and
 - (E) Enabling the Department to contract with a private consultant to audit the records of any charter tour operator, and requiring the charter tour operator to bear the costs of any such audit;
- (2) Inserting an effective date of July 1, 2050; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, 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 (Ihara, Ruderman).

SCRep. 725 Commerce, Consumer Protection, and Health on S.B. No. 954

The purpose and intent of this measure is to make various updates to title 24, Hawaii Revised Statutes, including:

- (1) Requiring health care providers to continue providing services during a health insurer insolvency;
- (2) Moving the short-term health insurance preexisting disclosure requirement to a more appropriate article in the Insurance Code;
- (3) Correcting a technical error in the definition of “perceived gender identity”;
- (4) Clarifying that health insurers are part of the Hawaii Life and Disability Insurance Guaranty Association; and
- (5) Making housekeeping amendments.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and LGBT Caucus of the Democratic Party of Hawai‘i. Your Committee received comments on this measure from the Hawaii Medical Service Association and American Council of Life Insurers.

Your Committee finds that when an insurer enters liquidation, that insolvency can greatly affect policyholders and providers. This measure seeks to better prepare insurers, policyholders, providers, and the Hawaii Life and Disability Insurance Guaranty Association for future liquidations by, among other things, requiring a health care provider to continue providing services during the insolvency of a health insurer.

Your Committee has heard the concerns that this measure subjects mutual benefit societies and health maintenance organizations to the requirements of the Hawaii Life and Disability Insurance Guaranty Association. According to testimony received by your Committee, there is concern that this would require large group insurers to subsidize potential liabilities incurred by the insolvency of another health plan. This measure also proposes to amend the definition of “member insurer”, applicable to the Hawaii Life and Disability Insurance Guaranty Association Act, to remove the exclusion of nonprofit hospital or medical service organizations and health maintenance organizations. According to testimony from the Department of Commerce and Consumer Affairs, the Department is in ongoing discussions with affected parties regarding this definition and, as such, requests that the definition of “member insurer” remain unchanged at this time.

Your Committee further finds that this measure also creates a new assessment account for dental insurance within the Hawaii Life and Disability Insurance Guaranty Association. Your Committee has heard the concerns that dental insurance claims are currently paid from a much higher assessment base of all health insurers doing business in the State and creating a separate assessment account for this type of specific insurance could potentially create a capacity problem in the event a large dental insurer becomes insolvent. Your Committee appreciates these concerns and notes that further discussion may be warranted as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Deleting language that would have permitted insurers assessed through the Hawaii Life and Disability Insurance Guaranty Association the ability to recoup costs through a surcharge on premiums, as the Association already allows insurers to offset assessments through the use of tax credits;
- (2) Deleting language that would have amended the definition of “member insurer”;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 954, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 954, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 726 Commerce, Consumer Protection, and Health on S.B. No. 119

The purpose and intent of this measure is to:

- (1) Require landlords to disclose in writing a tenant’s ability to establish a new due date for rent payment, if the tenant receives public assistance; and
- (2) Establish a cap of five percent on late rent payment fees.

Your Committee received testimony in support of this measure from the Governor’s Coordinator on Homelessness and Department of Commerce and Consumer Affairs Office of Consumer Protection. Your Committee received comments on this measure from the Hawai‘i Association of REALTORS.

Your Committee finds that existing law requires a landlord to honor a tenant’s request to establish a new due date if the tenant is receiving public assistance. This measure requires this right to be disclosed in writing to a tenant, which will ensure that a tenant receiving public assistance is fully aware that the tenant has the ability to move the due date to a period after which the tenant receives a public assistance payment.

Your Committee further finds that existing law does not set limitations on the amount of late fees that a landlord may charge a tenant, which has resulted in a wide variance in amounts charged and has led to outrageous abuses. According to testimony from the

Office of Consumer Protection, the Office has been informed by some tenants that the tenants have been subject to late fees of more than twenty percent for being one day late. Other tenants have reported a fee of \$100 for each day of late payment. According to testimony from the Governor's Coordinator on Homelessness, service providers have shared reports of homeless individuals and families being charged excessive late fees, and later being evicted as a result of those accumulated fees.

This measure therefore requires that when a rental agreement provides for a late charge payable for rent not paid when due, the late charge shall be capped at five percent of the amount of rent due. Your Committee notes that Maryland, Oregon, and Delaware all set late fee limitations at five percent. The five percent limitation is also consistent with existing Hawaii law governing late charges on consumer credit sale contracts and correlates with the late fees that numerous mortgagee lenders impose on mortgagor borrowers.

Your Committee has heard the testimony requesting a delayed implementation to provide sufficient time for the update of all relevant rental agreement forms. Although your Committee understands these concerns, your Committee believes it is important for the cap on late fees to be implemented as soon as possible, as your Committee is deeply concerned that a delay in implementing the cap will have a negative effect on vulnerable tenants with unscrupulous landlords or rental agents. Your Committee notes that interested parties indicated a willingness to continue discussions regarding necessary updates to rental agreement forms. Further discussion on the implementation date of this measure may be warranted, and may require the Hawaii Association of REALTORS and the Real Estate Commission to notify members of the upcoming changes.

Finally, your Committee notes that once the effective date of this measure has been determined, it is your Committee's intent for the requirements of this measure to apply to all new rental agreements and all rental agreement renewals entered into on or after the effective date of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Clarifying that this measure shall apply to all rental agreements and all rental agreement renewals entered into on or after the effective date of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 119, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 119, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 727 Ways and Means on S.B. No. 197

The purpose and intent of this measure is to provide funding for start-up grants to assist one or more new pre-opening charter schools.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Hawaii State Public Charter School Commission; The Maritime Group, LLC; Kamehameha Schools; Hawaii Public Charter School Network; and one individual.

Your Committee received written comments in opposition to this measure from the Hawaii State Teachers Association and IMUAlliance.

Your Committee finds that certain Department of Education schools are operating at or near-full capacity and are struggling with severe overcrowding. Your Committee further finds that overcrowding in schools is a serious issue throughout the State. Your Committee recognizes that public charter schools can be a crucial part of the solution to the problem of school overcrowding, but notes that the start-up costs associated with opening a charter school are significant. These start-up costs present a serious obstacle to opening new charter schools to meet the needs of Hawaii's students. Your Committee believes that the funding provided by this measure will help ease the cost of opening new charter schools to better support the educational needs of Hawaii's students.

Your Committee has amended this measure by:

- (1) Changing the amounts appropriated in fiscal years 2017-2018 and 2018-2019 from \$200,000 respectively for each year to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making a technical nonsubstantive amendment for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 197, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 197, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 728 Ways and Means on S.B. No. 711

The purpose and intent of this measure is to appropriate funds for the Executive Office on Early Learning to enter into contracts with third party providers for family child interaction learning programs as part of a mixed-delivery early learning system to ensure school readiness of Hawaii's children prior to entering kindergarten.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, Hawaii Children's Action Network, Kamehameha Schools, and HE'E Coalition.

Your Committee finds that family is a vital influence in the life of a child and that active participation by parents in a child's early education is extremely beneficial for the child's learning and development.

Your Committee has amended this measure by changing the effective date to April 2, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 711, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 711, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 729 Ways and Means on S.B. No. 908

The purpose and intent of this measure is to improve the functions of the Small Business Regulatory Review Board (Board).

Specifically, this measure:

- (1) Clarifies the definition of "small business";
- (2) Specifies the course of action of the Board after reviewing a proposed rule;
- (3) Increases the number of Board members from nine to eleven;
- (4) Requires agencies to submit to the Board by June 30 of each year, a list of rules to be amended or repealed, based upon any new, amended, or repealed statute that impacts small business; and
- (5) Requires the Board to submit evaluation reports on rules to the Legislature each even-numbered year.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Chamber of Commerce Hawaii; and Ocean Tourism Coalition. Your Committee received written comments in opposition to this measure from the Hawaii Farm Bureau and one individual.

The Department of Taxation and Small Business Regulatory Review Board submitted written comments on this measure.

Your Committee finds that incorrectly determining that a proposed rule does not require a small business impact statement can lead to the rule later being overturned. Your Committee further finds that placing the determination of whether a rule requires a small business impact statement upon the Board removes the risk of rules being overturned because they were improperly adopted.

Your Committee further finds that increasing the membership of the Board from nine to eleven members will help with meeting and voting quorum.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure;
- (2) Making a technical amendment to clarify the timing of when the evaluation report shall be submitted to the Legislature; and
- (3) Making technical amendments to sections 201M-5(b)(4) and 201M-7(c), Hawaii Revised Statutes, to reflect the printed version of the 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. 908, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 908, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 730 Ways and Means on S.B. No. 1170

The purpose and intent of this measure is to increase government accountability and transparency by requiring a public hearing or informational briefing on certain studies and audit reports funded by the Legislature.

Specifically, the measure:

- (1) Requires any study or audit report enacted with a legislative appropriation and conducted by executive departments and agencies, the Auditor, the Judiciary, the Legislative Reference Bureau, or the Office of Hawaiian Affairs to be submitted to the chairs of the applicable subject matter committee of each house, the presiding officers of each house, and the Legislative Reference Bureau library; and
- (2) Requires a public hearing or informational briefing on the study or audit report within one year of its receipt, unless the time is extended or the requirement is waived.

Your Committee received written comments in support of this measure from the Office of the Auditor and one individual. The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that state agencies expend valuable time and resources to complete studies and audit reports required by the Legislature, and the results are often not widely reviewed by legislators or the public. Your Committee further finds that requiring a public hearing or informational briefing will serve the public interest by facilitating discussion and analysis of the findings and recommendations contained in the studies and audit reports.

Your Committee has amended this measure by clarifying that the reasons for granting an extension of time or waiver of the required public hearing or informational briefing shall be publicly noticed at the state capitol.

Your Committee respectfully notes that subsequent committees to which this measure is referred may wish to consider whether certain routine studies and reports may warrant exclusion from the public hearing or informational briefing requirement, or require less frequent hearings or briefings.

As affirmed by the record of votes of the members of your Committee 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, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 731 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 510

The purpose and intent of this measure is to:

- (1) Formally establish the Hawaii keiki: healthy and ready to learn program;
- (2) Provide funding to expand and sustain the Hawaii keiki: healthy and ready to learn program; and
- (3) Appropriate funds to establish school health service coordinator positions in the Departments of Health and Human Services to increase coordination and facilitate departmental and interdepartmental activities related to comprehensive school-based health services.

Your Committees received testimony in support of this measure from the Department of Education, University of Hawai'i System, Hawaii State Public Charter School Commission, Hawaii Medical Service Association, Healthcare Association of Hawaii, Hawaii Association of Professional Nurses, Hawaii State Teachers Association, Kapiolani Child Protection Center, Hawai'i State Center for Nursing, Hawai'i Pacific Health, Special Education Advisory Council, American Organization of Nurse Executives, IMUAlliance, Hui for Excellence in Education, Project Vision Hawai'i, and eighteen individuals. Your Committees received testimony in opposition to this measure from the Hawaii Chapter of the American Academy of Pediatrics, Family Voices of Hawai'i, and two individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Human Services, Hawaii Primary Care Association, Waianae Coast Comprehensive Health Center, and one individual.

Your Committees find that non-school factors such as chronic absenteeism, poor health, and delayed or limited access to healthcare and preventive services can impede a student's academic success. Your Committees further find that school-based services such as early eye screenings and oral hygiene services for vulnerable keiki in pre-kindergarten through high school can improve academic outcomes and increase children's opportunity for economic achievement.

Your Committees additionally find that the Hawaii keiki: healthy and ready to learn program has expanded access to health services for many of the State's students. Your Committees note that the partnerships the Department of Education has formed with other state and private entities have created a foundation upon which an expanded program may be built. Your Committees find that an expanded program will be able to offer services in new areas of healthcare that students have not previously had access to in Hawaii's schools.

Your Committees have amended this measure by:

- (1) Inserting language to require that the Department of Education collaborate with community providers and other health care and education stakeholders, in addition to the Department of Health, Department of Human Services, and University of Hawaii at Manoa School of Nursing and Dental Hygiene, to convene the Hawaii keiki: healthy and ready to learn program as well as partner with the Public Health Nursing Branch of the Department of Health pursuant to a memorandum of understanding between the parties;
- (2) Inserting blank appropriation amounts;
- (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 Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 510, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 510, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Chang, Espero, Ruderman).
Ways and Means: Ayes, 9; Ayes with Reservations (Harimoto). Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 732 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 272

The purpose and intent of this measure is to support programs, studies, and activities related to the prevention and eradication of rat lungworm disease by appropriating funds to the University of Hawaii at Hilo.

Your Committees received testimony in support of this measure from the University of Hawai'i at Hilo, Department of Land and Natural Resources, Department of Agriculture, Office of the Mayor of the County of Hawai'i, Hawaii Farm Bureau, Hawai'i Farm to School and School Garden Hui, Big Island Invasive Species Committee, Hawaii Farmers and Ranchers United, Farm to Keiki, and thirty-one individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that rat lungworm disease is a relatively new, but very serious, pathogen that plagues fresh produce grown in Hawaii. Over the past fifteen years, cases of rat lungworm disease in Hawaii have been increasing in number and severity, in particular

throughout areas of the Island of Hawaii and more recently affecting Maui as well. The rat lungworm parasite is primarily carried through the activity of rats and slugs, and can cause a rare type of meningitis that is extremely painful, debilitating, and even deadly. Furthermore, the medical expenses associated with contracting rat lungworm disease can be over \$1,000,000. Your Committees find that the more the public understands the hazards of this disease, the less of a public health issue it will become, but that more research is also vital to understanding and preventing this disease. Your Committees note the significant amount of supportive testimony submitted on this measure, and recognize the need for vigorous, coordinated efforts to effectively combat this public health concern.

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 Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 272, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 272, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 733 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 720

The purpose and intent of this measure is to appropriate monies to the Department of Kinesiology and Rehabilitation Science of the University of Hawaii for the concussion education and monitoring program and concussion and awareness program for school athletics and youth athletic activities.

Your Committees received testimony in support of this measure from the Department of Education; University of Hawai'i System College of Education; Hydroponics Alternatives, LLC; and two individuals.

Your Committees find that concussions and other head injuries pose a significant risk to student and youth athletes. The damage from a head injury often becomes much more severe if the injury is not quickly and accurately recognized and the injured athlete returns to competition too soon. For this reason, it is vital for students and other youth in the State to have reliable information about concussions, and for student and youth athletes to be tested and monitored for possible concussions.

Your Committees have amended this measure by:

- (1) Changing the appropriation amount from \$450,000 to a blank amount; 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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 720, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 720, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 734 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 748

The purpose and intent of this measure is to increase the availability of child care facility inspection information by requiring the Department of Human Services to post its inspection records of child care facilities on a public website and submit an annual report to the Legislature of certain information from inspection records related to child care facilities.

Your Committees received testimony in support of this measure from the Hawaii Children's Action Network and fifty-nine individuals. Your Committees received comments on this measure from the Department of Human Services and one individual.

Your Committees find that safe child care should be a priority for the State because child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects child care facilities to ensure that all children are safe and healthy. Requiring the Department of Human Services to post its inspection records of child care facilities on its website may help bring assurance to families who are seeking or using child care services from these facilities.

Your Committees recognize that it is important for state law to conform with federal requirements that only require the public posting of substantiated complaints in which the State has found violations of regulatory requirements. According to the Department of Human Services, limiting postings only to substantiated complaints will also allow the public easier and faster access to critical information without having to sort through unsubstantiated reports. In addition, your Committees note that the Department of Human Services may need additional resources in order to successfully comply with the posting and reporting requirements of this measure.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to conform with federal law by mandating the Department of Human Services to post its inspection records of child care facilities on a public website if the record involves a substantiated complaint;
- (2) Inserting a blank appropriation to the Department of Human Services for the Department to post its inspection records of child care facilities on a public website and submit an annual report to the Legislature with information from child care facility inspection records; 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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 748, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 748, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 735 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 945

The purpose and intent of this measure is to establish a framework for authorizing post-secondary degree-granting educational institutions that have applied for accreditation by an accrediting agency recognized by the United States Department of Education.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs. Your Committees received comments on this measure from one individual.

Your Committees find that post-secondary students in Hawaii will benefit from the additional oversight and monitoring of the accreditation process by the Department of Commerce and Consumer Affairs. This measure provides a mechanism for post-secondary degree-granting institutions that are in the process of qualifying for full accreditation to receive provisional authorization by the Department of Commerce and Consumer Affairs and is in line with most other states, which have in place a mechanism to issue some type of temporary state authorization or approval to post-secondary institutions that are in the process of applying for accreditation.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 945, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 736 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 1154

The purpose and intent of this measure is to clarify that the comprehensive loss reduction plan of the Hawaii Hurricane Relief Fund shall include implementing building code requirements for hurricane standards in accordance with state building code and design standards and funding for the adoption of administrative rules to implement state building code and design standards.

Your Committees received testimony in support of this measure from the Department of Defense; Department of Labor and Industrial Relations; County of Maui Department of Fire & Public Safety; The Maritime Group; American Society of Civil Engineers, Hawaii Section; and Structural Engineers Association of Hawaii. Your Committees received comments on this measure from the Hawaii Hurricane Relief Fund.

Your Committees find that this measure will allow the Hawaii Hurricane Relief Fund and the State Building Code Council to simultaneously carry out their responsibilities to implement the loss mitigation standards relating to hurricane peril. The State Building Code Council is required to adopt building codes within 18 months of publishing a new edition. However, presently, many building codes still reference their 2006 editions despite new editions in recent years. Lack of funding to facilitate the adoption of administrative rules has stalled the process. Your Committees further find that allowing the State Building Code Council to work alongside the Hawaii Hurricane Relief Fund will make updating the building codes more effective and will better support the safety and general welfare of Hawaii residents.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1154 and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 737 Ways and Means on S.B. No. 1146

The purpose and intent of this measure is to exempt new housing units that are reserved for persons or families with incomes up to eighty percent of the area median income from school impact fee requirements.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority, the Office of Planning, HE'E Coalition, and one individual.

Your Committee received written comments in opposition to this measure from BIA Hawaii, the Chamber of Commerce Hawaii, and IMUAlliance.

Your Committee received written comments on this measure from the Hawaii Housing Finance and Development Corporation and the Hawaii State Teachers Association.

Your Committee finds that school impact fees can significantly increase the cost of building new housing and that there currently is a serious shortage of affordable housing in the State. Your Committee further finds that exempting from school impact fees all new housing units that are reserved for persons or families with incomes up to eighty percent of the area median income will encourage the development of affordable housing.

Your Committee has amended this measure by:

- (1) Changing the reference to housing "located on the island of Oahu" to "located in a county with a population greater than five hundred thousand," to avoid a potential conflict with Article VIII, section 1, of the Hawaii Constitution, which has been interpreted to preclude application of a special law that pertains to a single county by name; 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. 1146, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1146, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 738 Ways and Means on S.B. No. 823

The purpose and intent of this measure is to mandate health insurance coverage for services performed by naturopathic physicians.

Specifically, this measure:

- (1) Requires insurers, mutual benefit societies, fraternal benefit societies, and health maintenance organizations to provide coverage for health care services provided by naturopathic physicians; and
- (2) Requires the Insurance Commissioner to receive and investigate complaints relating to discrimination against a health care provider.

Your Committee received written comments in support of this measure from two individuals. Your Committee received written comments in opposition to this measure from Kaiser Permanente and University Health Alliance. The Hawaii Medical Service Association submitted written comments on this measure.

Your Committee finds that naturopathic physicians are licensed and regulated pursuant to chapter 455, Hawaii Revised Statutes. Naturopathic physicians provide diagnosis, prevention, and treatment of many disorders of the body. Numerous members of the public have experienced positive health results from treatment through naturopathic medicine. However, insurance coverage for the services of naturopathic physicians is inconsistent throughout the State. Your Committee further finds that requiring insurance coverage for the services of naturopathic physicians will afford members of the public with broader and better access to the health care they desire.

Your Committee has amended this measure by changing the effective date to June 1, 2050, to facilitate further discussion.

In light of the requirement imposed by the federal Patient Protection and Affordable Care Act that prohibits insurance companies from discriminating against a licensed health care provider, along with an increasing desire by the public for insurance coverage of naturopathic services, your Committee acknowledges the need for the Auditor to update its 1989 report, Study of Proposed Mandatory Health Insurance for Naturopathic Care, Report No. 89-25. Your Committee respectfully requests that subsequent Committees to which this measure is referred consider this matter further.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 823, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 739 Ways and Means on S.B. No. 425

The purpose and intent of this measure is to mandate paid sick leave for hourly employees who work for private employers of fifty or more workers.

Your Committee received written comments in support of this measure from Hawaii State AFL-CIO, ILWU Local 142, the Graduate Student Organization at the University of Hawaii at Manoa, Hawaii Government Employees Association, and two individuals.

Your Committee received written comments in opposition to this measure from the Chamber of Commerce Hawaii, Hawaii Restaurant Association, Hawaii Food Industry Association, Motion Picture Association of America, Big City Diner, Tiki's Grill and Bar, IL Gelato Hawaii, Ruby Tuesday Hawaii and Gyu-Kaku Hawaii, Maui Hotel and Lodging Association, Highway Inn, and Eggs 'n Things.

The Department of Labor and Industrial Relations and Hawaii Children's Action Network submitted written comments on this measure.

Your Committee finds that over forty percent of private sector employees cannot take a paid sick day when they are ill or they need to care for an ill child. Your Committee further finds that requiring large private employers to provide their hourly employees with paid sick leave will encourage sick employees to stay home and recover, which will reduce the spread of disease, increase employee productivity, and help to control healthcare costs.

Your Committee has amended this measure by:

- (1) Authorizing the parties to a collective bargaining contract to waive the paid sick leave requirements established by this measure if the waiver is clearly and unambiguously stated in a collective bargaining agreement; and
- (2) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 425, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 425, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Shimabukuro, Wakai).

SCRep. 740 Ways and Means on S.B. No. 682

The purpose and intent of this measure is to extend the sunset date of the alternative energy research and development pilot program from June 30, 2017, to June 30, 2019, and to appropriate funds for the program to provide grants to qualified businesses conducting research and development in alternative energy.

Your Committee received written comments in support of this measure from the High Technology Development Corporation, Navatek, Oceanit, Chamber of Commerce Hawaii, and six individuals.

Your Committee finds that the alternative energy research and development pilot program supports local companies conducting renewable energy research by providing funds to assist those companies in leveraging federal funds. In fiscal year 2015-2016, the High Technology Development Corporation awarded \$1,000,000 to three companies that secured \$11,300,000 of federal funding for alternative energy projects. Your Committee believes that extending the pilot program will keep high-paying, high-skilled jobs in Hawaii and will bring the State closer to its clean energy goal of one hundred percent renewable energy by the year 2045.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 6, 2041, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 682, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 682, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 741 Ways and Means on S.B. No. 559

The purpose and intent of this measure is to further the State's commitment to combating climate change by systematically reducing and mitigating greenhouse gas emissions through the enactment of principles that mirror certain provisions adopted in 2015 at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change in an agreement addressing greenhouse gas emission, adaptation, and finance, known as the Paris Agreement.

More specifically, the measure:

- (1) Requires the State to undertake strategies and mechanisms to reduce and mitigate greenhouse gas emissions;
- (2) Requires the Department of Accounting and General Services to provide all state departments and agencies with information necessary for clarity, transparency, and understanding in order for each entity to reduce its greenhouse gas emissions;
- (3) Encourages the legislative, executive, and judicial branches of state government to implement and support policies to reduce greenhouse gas emissions through environmental protection;
- (4) Requires the State to promote sustainable development and ensure environmental integrity and transparency;
- (5) Declares that the State recognizes the importance of integrated, holistic, and balanced non-market approaches to reducing greenhouse gas emissions;
- (6) Establishes a statewide goal of adaptation and reduction of vulnerability to climate change;
- (7) Requires all state departments and agencies to strengthen their cooperation with other parties on enhancing adaptation;
- (8) Requires the Department of Accounting and General Services to engage in adaptation planning processes and to submit annual adaptation reports;
- (9) Specifies areas of cooperation and facilitation that the State shall support;
- (10) Requires the State to hold a long-term vision on the importance of fully realizing technology development and transfer to improve resilience to climate change and reduce greenhouse gas emissions;
- (11) Requires the submission of informational reports; and
- (12) Appropriates an unspecified sum of money for administering strategies and mechanisms to reduce and mitigate the greenhouse gas emissions of state departments and agencies.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Healthy Climate Communities, The Maritime Group, LLC, The Nature Conservancy, and fourteen individuals.

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 and the Office of Planning.

Your Committee finds that the State should support the goals of the Paris Agreement to combat climate change and its effects on environments, economies, and communities around the world. One hundred ninety-five countries adopted the Paris Agreement at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change to address greenhouse gas emissions mitigation, adaptation, and finance starting in the year 2020.

Your Committee further finds that requiring state agencies to submit an annual report to the Legislature regarding the State's actions and capabilities and resources to implement the goals of the Paris Agreement would help the State prioritize necessary actions to reduce and mitigate greenhouse gas emissions.

Your Committee has amended this measure by:

- (1) Clarifying that information required by the measure from the Department of Accounting and General Services shall be provided in the form of an annual report to the Governor and the Legislature;
- (2) Requiring that the Department of Land and Natural Resources and the Department of Accounting and General Services jointly submit a report including specified information regarding the State's actions and capabilities and resources to implement the goals of the Paris Agreement to the Legislature prior to the convening of the Regular Session of 2018;
- (3) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure; and
- (4) 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. 559, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 559, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 742 Ways and Means on S.B. No. 491

The purpose and intent of this measure is to appropriate funds as a grant-in-aid to the Department of the Prosecuting Attorney of the City and County of Honolulu for the Career Criminal Prosecution Unit.

Your Committee received written comments in support of this measure from the Department of the Attorney General, Office of the Prosecuting Attorney of the County of Hawaii, and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that supporting a strong and effective prosecutor's office is vital to protecting the health, safety, and welfare of the public. In 1979, the Legislature created the Career Criminal Prosecution Program to address the problem of "career criminals" who are responsible for a disproportionate number of the serious crimes committed against the public. This program has been effective in assisting county prosecutors' offices in delivering swift and effective justice.

Your Committee notes that the Department of the Prosecuting Attorney of the City and County of Honolulu has stated that the current balance necessary to maintain the program at its current level of operation within the department is \$492,125.

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. 491, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 491, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 743 Ways and Means on S.B. No. 1147

The purpose and intent of this measure is to require the strategic plan developed by the Hawaii Interagency Council for Transit-Oriented Development to require that affordable housing be included as part of the development or redevelopment plan for any state property located within one-half mile of the Honolulu rail transit system.

Your Committee received written comments in support of this measure from EAH Housing.

Your Committee received written comments in opposition to this measure from the Hawaii Housing Finance and Development Corporation and the Office of Planning.

Your Committee received written comments on this measure from the Department of Human Services and Department of Land and Natural Resources.

Your Committee finds that there is a critical need for affordable housing in the State and that construction by the City and County of Honolulu of a rail transit project on the island of Oahu presents unique opportunities to encourage and require the development of new affordable housing near the rail line.

The State is the largest owner of land along the rail line and thus has a significant opportunity to apply resources to promote the creation of new affordable housing. Your Committee believes that requiring the inclusion of affordable housing as part of the development or redevelopment plan for any state property located within one-half mile of the rail line will lead to the development of new affordable housing that will be served by a modern mass transit system.

Your Committee notes that properties owned or controlled by the Hawaii Public Housing Authority or the Department of Hawaiian Home Lands must comply with specific federal regulations that may conflict with the requirements of this measure, and thus they should be exempted from those requirements. Your Committee also notes that the question of how to finance infrastructure improvements on applicable state lands remains unresolved, with particular reference to sewer systems.

Your Committee has amended this measure by:

- (1) Clarifying that certain alternative options pertaining to the construction of affordable housing on state lands apply to housing constructed within one-half mile of the rail line, rather than at rail stations;
- (2) Changing the percentages of affordable housing that shall be reserved for residents with certain income levels, from ten per cent to five per cent for residents with an income less than or equal to thirty per cent of the area median income, and from ten per cent to fifteen per cent for residents with an income greater than sixty per cent but less than or equal to eighty per cent of the area median income;
- (3) Exempting properties owned or controlled by the Hawaii Public Housing Authority or the Department of Hawaiian Home Lands from the affordable housing requirements because of possible conflict with specific federal regulations; and
- (4) Changing the effective date to December 16, 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. 1147, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1147, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 744 Ways and Means on S.B. No. 1030

The purpose and intent of this measure is to exempt marine terminal equipment temporarily moving between Sand Island Parkway and Sand Island Access Road from vehicle registration, safety inspection, and driver licensure requirements.

Your Committee received written comments in support of this measure from the Department of Transportation, Maritime Group LLC, and Matson.

Your Committee finds that this measure promotes operational efficiencies at the harbors by streamlining existing processes to allow marine equipment the ability to move between terminals and by affording harbor users the ability to re-allocate resources as needed. Your Committee further finds that impact on vehicular traffic activity will be limited by applying this exemption only to the area between Sand Island Parkway and Sand Island Access Road.

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. 1030, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1030, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 745 Ways and Means on S.B. No. 1088

The purpose and intent of this measure is to appropriate funds for the certification of a reforestation project at Haleakala, Maui, operated by the Department of Land and Natural Resources under an established forest carbon standard certification system.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, The Nature Conservancy, and Sierra Club of Hawaii.

Your Committee finds that carbon projects directly contribute to many sustainability goals of the State and that the Department of Land and Natural Resources proposes to certify a reforestation project on state lands. Your Committee notes that the Department of Land and Natural Resources has secured funding for the restoration project activities through federal and state resources but needs an initial investment for the certification of the carbon project under an established forest carbon standard. Your Committee recognizes that this one-time appropriation to support the restoration project serves the public through efforts to mitigate the impacts of climate change and environmental degradation. Your Committee believes that success of this project will result in converting degraded pastureland back to native forest to sequester carbon, reduce erosion, increase water supply recharge, re-establish endangered species habitat, mitigate wildfire threats, and support numerous other natural and cultural benefits important to the people of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount for fiscal years 2017-2018 and 2018-2019 from \$120,000 respectively to an unspecified amount; and
- (2) Changing the effective date to July 1, 2099, 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. 1088, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1088, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 746 Ways and Means on S.B. No. 558

The purpose and intent of this measure is to appropriate funds to establish invasive species technician positions in east Maui for the Department of Land and Natural Resources' Division of Forestry and Wildlife.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Hawaii Cattlemens Council, Conservation Council for Hawaii, Hawaii Farm Bureau, and three individuals.

Your Committee finds that the invasion of non-native insects, disease bearing organisms, weeds, and other pests is a major threat to Hawaii's economy, natural environment, and health. Your Committee further finds that preventing the arrival of new pests and halting the spread of established pests are essential to the State's present and future well-being.

Your Committee has amended this measure by:

- (1) Changing the amounts appropriated in fiscal years 2017-2018 and 2018-2019 from \$500,000 respectively for each year to unspecified sums;
- (2) Changing the number of permanent full-time equivalent invasive species technician positions from five to an unspecified number; and
- (3) Changing the effective date to March 9, 2092, 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. 558, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 558, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 747 Ways and Means on S.B. No. 783

The purpose and intent of this measure is to amend the important agricultural land qualified agricultural cost tax credit.

More specifically, this measure:

- (1) Repeals the provision that makes the claiming of the important agricultural land qualified agricultural cost tax credit contingent upon the repeal, exhaustion, or expiration of the tax credit for the aquarium and marine science and mammal research facility at Ko Olina Resort and the training and educational facilities at Makaha Resort;
- (2) Expands the definition of "qualified agricultural costs" to include expenditures for the clearing of, removal of trees and debris from, and soil restoration to correct any nutrient deficiency that is present on, former sugar and pineapple plantation lands; and
- (3) Repeals the provision that requires the Department of Agriculture to cease certifying credits after 2017.

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 Agriculture and Department of Taxation.

Your Committee finds that Act 233, Session Laws of Hawaii 2008, established a variety of incentives and protections to establish and sustain viable agricultural operations on important agricultural lands. Your Committee also finds that many former sugar and pineapple plantation lands have become overgrown and that clearing out these lands and restoring the soil can be very costly to farmers who wish to return the land to agricultural use. Your Committee further finds that this measure is intended to assist these farmers, while building upon the incentives established by Act 233.

Your Committee has amended this measure by:

- (1) Clarifying that the expanded definition of "qualified agricultural costs" applies to former sugar and pineapple plantation lands that have been out of agricultural use for more than five years and are to be used primarily for agricultural purposes;
- (2) Making a correction to accurately reflect the text format of section 235-110.93, Hawaii Revised Statutes; and
- (3) Making the Act apply to taxable years beginning after December 31, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 783, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 783, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 748 Ways and Means on S.B. No. 971

The purpose and intent of this measure is to change the means of funding for the statewide emergency medical system.

More specifically, the measure:

- (1) Repeals the emergency medical services special fund;
- (2) Redirects the fund's revenue sources to the general fund; and
- (3) Appropriates general funds to support the statewide emergency medical system.

Your Committee received written comments in support of this measure from Hana Health.

Your Committee finds that anti-smoking campaigns have contributed to the decline in cigarette use in Hawaii. The decline in cigarette purchases, however, has also led to a decline in cigarette tax revenues and associated deposits to the emergency medical services special fund. Your Committee believes that repealing the emergency medical services special fund, redirecting the fund's

revenue sources to the general fund, and making general fund appropriations for the programs funded by the emergency medical services special fund will promote more prudent budgeting of emergency medical system expenses and provide a more stable means of funding.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated for the statewide comprehensive emergency medical services system for fiscal years 2017-2018 and 2018-2019 from \$14,796,503 to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 971, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 971, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Taniguchi, Wakai).

SCRep. 749 Ways and Means on S.B. No. 947

The purpose and intent of this measure is to improve the regulation of beauty culture licensees and permittees.

More specifically, the measure:

- (1) Authorizes the Department of Commerce and Consumer Affairs to issue citations for certain violations of laws and administrative rules that apply to beauty culture licensees and permittees; and
- (2) Establishes a process for cited beauty culture licensees and permittees to contest the citation.

Your Committee received written comments in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and the Board of Barbering and Cosmetology.

Your Committee finds that authorizing the Department of Commerce and Consumer Affairs to issue citations for technical violations of laws and administrative rules pertaining to beauty culture licensees and permittees will promote compliance with those laws and administrative rules, and will enable the department's Regulated Industries Complaints Office to focus its personnel and other resources on more serious violations.

Your Committee has amended this measure by clarifying that name tags that shall be worn by certain beauty school employees during hours of instruction shall state the employee's full name, and that signs displayed in beauty school reception and work rooms shall be displayed in each of those rooms using letters not less than one-half inch high.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 947, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 947, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 750 Ways and Means on S.B. No. 715

The purpose and intent of this measure is to expand the membership of the special action team on affordable rental housing to include the executive director of the Hawaii Community Development Authority and the executive director of the Hawaii Public Housing Authority.

Your Committee received written comments in support of this measure from the Office of Planning and the Hawaii Public Housing Authority.

Your Committee received written comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that the Hawaii Community Development Authority has jurisdiction over areas conducive to the development of affordable rental housing, and the Hawaii Public Housing Authority provides affordable rental housing for low-income families and individuals. For those reasons, your Committee believes that the executive directors of both agencies would be valuable additions to the Special Action Team on Affordable Rental Housing.

Your Committee has amended this measure by removing language authorizing the executive directors of the Hawaii Community Development Authority and the Hawaii Public Housing Authority to appoint designees to represent their respective agency on the special action team, as members already have that authority under section 6(b) of Act 127, Session Laws of Hawaii 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. 715, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 715, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 751 Ways and Means on S.B. No. 765

The purpose and intent of this measure is to increase funding for community-based economic development projects through a structure that facilitates the use of the federal new market tax credit.

Specifically, the measure:

- (1) Establishes a definition of “qualified community development entity” that mirrors the definition found in the Internal Revenue Code, to allow the State to provide financing for projects through the Hawaii Community-Based Economic Development Technical and Financial Assistance Program;
- (2) Expands the methods of delivering funding to projects under the program by providing loans to capitalize a qualified community development entity; and
- (3) Amends the cap on loan amounts and terms.

Your Committee received written comments in support of this measure from Pacific Growth Associates and Pana’ewa Hawaiian Home Lands Community Association.

The Department of Taxation and Department of Business, Economic Development, and Tourism submitted written comments on the measure.

Your Committee finds that the Hawaii Community-Based Economic Development Technical and Financial Assistance Program, facilitated by the Department of Business, Economic Development, and Tourism, provides financial assistance to community-based businesses and enterprises in the form of low-interest loans and grants to qualifying applicants. Your Committee also finds that the federal New Market Tax Credit Program was intended to attract capital to low-income communities by giving private investors a federal income tax credit for qualified equity investments in qualified community development entities. By definition, a qualified community development entity is a domestic corporation or partnership whose primary mission is to serve, or provide investment capital for, low-income communities or low-income persons. Thus, the investments made in qualified community development entities are expected to result in job creation and an improved quality of life for low-income communities, such as the development of small businesses, restaurants, childcare facilities, community centers, health care facilities, and mixed-use buildings with affordable housing. For these reasons, your Committee finds that connecting the Hawaii Community-Based Economic Development Technical and Financial Assistance Program with new investment capital incentivized by the federal tax credit will facilitate community-based economic development efforts in the State.

Your Committee has amended this measure by:

- (1) Making conforming amendments to the purpose section to more accurately reflect the substantive provisions of the measure; 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. 765, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 765, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 752 Ways and Means on S.B. No. 100

The purpose and intent of this measure is to amend the requirements for the Auditor’s review of various tax exemptions, exclusions, credits, and deductions.

More specifically, this measure:

- (1) Requires the Department of Taxation to provide the Auditor with tax records;
- (2) Clarifies the standards to be used by the Auditor in the reviews;
- (3) Delays the review schedules by one year; and
- (4) Adds the organic foods production tax credit to the tax credits that shall be reviewed by the Auditor.

Your Committee received written comments in support of this measure from the Office of the Auditor. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Island Energy Services.

Your Committee finds that Acts 245 and 261, Session Laws of Hawaii 2016, require the Auditor to review certain tax exemptions, exclusions, credits, and deductions. The Acts also require the Auditor to determine various tax expenditures and to estimate future expenditures. Your Committee also finds that the Auditor cannot conduct the reviews without meaningful tax data, but that the Department of Taxation has not completed the tax system modernization project necessary to provide the data. Accordingly, your Committee believes that it would be prudent to delay the reviews by one year so that the tax system modernization project can be completed, which will make it easier to generate accurate and relevant tax data.

Your Committee also requests that the Department of Taxation and the Auditor cooperate to provide relevant tax data in aggregated form so that the data, to the extent possible, may be republished without violating confidentiality laws and related restrictions on the disclosure of information.

Your Committee has amended this measure by:

- (1) Correcting a reference in the purpose section to reflect that the Department of Taxation shall provide the Auditor with access to the taxation records;
- (2) Requiring that the reviews of the credits, exclusions, and deductions be made on a calendar year basis, rather than a fiscal year basis; and

- (3) Making a technical nonsubstantive amendment 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. 100, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 100, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 753 Ways and Means on S.B. No. 635

The purpose and intent of this measure is to improve the management of fresh water supplies in the State.

More specifically, the measure:

- (1) Establishes a two-year water conservation financial assistance pilot program for county-owned water supply departments to implement their respective water conservation incentive programs; and
- (2) Appropriates \$500,000 out of the general revenues of the State for fiscal year 2017-2018 and an equal amount for fiscal year 2018-2019 for the pilot program, to be disbursed to each county on a pro rata basis by population and matched by each county on a dollar-for-dollar basis.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Board of Water Supply of the City and County of Honolulu, the Hawaii Community Foundation, the Hawaii Fresh Water Initiative, Hawaii Green Growth, The Nature Conservancy, the Sierra Club of Hawaii, Ulu pono Initiative, U.S. Green Building Council Hawaii Chapter, Central Pacific Tanks, Inc., One World One Water, LLC, and four individuals.

Your Committee finds that fresh water is one of the State's most precious natural resources and that water utilities and their customers should maximize efficiency with regard to managing and using water.

Your Committee further finds that moneys appropriated for this two-year water conservation financial assistance pilot program for county-owned water supply departments to implement their respective water conservation incentive programs should be allocated equally among the counties rather than disbursed on a prorated basis by population.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$500,000 per year to an unspecified amount to facilitate further discussion on the measure;
- (2) Providing that the moneys appropriated for the two-year water conservation financial assistance pilot program for county-owned water supply departments to implement their respective water conservation incentive programs shall be allocated equally among the counties rather than disbursed on a prorated basis by population; and
- (3) Changing the effective date to July 1, 2009, 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. 635, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 635, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 754 Ways and Means on S.B. No. 503

The purpose and intent of this measure is to require insurance coverage for appropriate, related case management services by qualified mental health providers for victims of sexual violence and abuse who suffer from mental illness.

The Hawaii State Commission on the Status of Women; American Association of University Women of Hawaii; Community Alliance on Prisons; Epic-Interventions, LLC; Hawaii Psychological Association; Hawaii Women's Coalition; IMUAlliance; National Association of Social Workers; Parents And Children Together; Planned Parenthood Votes Northwest and Hawaii; The Sex Abuse Treatment Center; YWCA Oahu; and one individual submitted comments in support of this measure.

The Department of Commerce and Consumer Affairs; the Department of Human Services; Domestic Violence Action Center; and Hawaii Medical Service Association provided comments on the measure.

Your Committee finds that sexual violence and abuse can have severe and lasting impacts on victims' emotional and mental health. Consequently, many victims have complex mental health problems that require clinical case management services by qualified mental health providers, in addition to psychotherapy. Your Committee also finds that it can be difficult for victims of sexual violence and abuse to obtain appropriate mental health services due to the limited availability of qualified service providers who are able to take on complex mental health cases. Your Committee further finds that clinical case management services are not generally covered by health insurers. This means that clinical case management services are often an unreimbursed expense, thus discouraging providers from accepting these complex cases. Your Committee believes that this measure would improve mental health services availability for victims of sexual violence and abuse.

Section 23-51, Hawaii Revised Statutes, requires that before any legislative measure that mandates health insurance coverage for specific health services can be considered, the Legislature must first adopt a concurrent resolution that requests the Auditor to prepare and submit to the Legislature a report that assesses both the social and financial effects of the proposed mandated coverage. Your Committee notes that the Legislature still needs to adopt such a concurrent resolution regarding the coverage mandated by this measure.

Your Committee has amended this measure by changing its effective date to June 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 503, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 503, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 755 Ways and Means on S.B. No. 953

The purpose and intent of this measure is to make various amendments to the State's insurance code.

More specifically, these amendment relate to third-party claimants, insurance fraud penalties, certificates of authority, motor vehicle insurance self-insurers, nonresident adjusters, insurance producer licensing, and supervisory proceedings undertaken by the Insurance Commissioner.

The Department of Commerce and Consumer Affairs, and the Hawaii Insurers Council submitted written comments in support of this measure.

Hawaii Medical Service Association submitted written comments on this measure.

Your Committee finds that under current law, the Insurance Commissioner is required to wait until a catastrophe has occurred before the Commissioner may issue a declaration that permits the use of nonresident adjusters in the State. Among other reforms, this measure authorizes the Insurance Commissioner to use those adjusters in advance of the Governor's proclamation of emergency.

Your Committee further finds that this measure also conforms the State's producer licensing requirements to the National Association of Insurance Commissioners' Producer Licensing Model Act, which will make the State's requirements conform with requirements of other states.

Your Committee has amended this measure by:

- (1) Amending certain uses of the term "insurer" to ensure that the applicable provisions refer to an insurer who terminates a producer;
- (2) Amending one use of the term "producer" to ensure that the applicable provision refers to a producer that terminates an insurer; and
- (3) Deleting unnecessary statutory amendments regarding third-party claimants.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 953, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 953, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 756 Commerce, Consumer Protection, and Health on S.B. No. 194

The purpose and intent of this measure is to require the Department of Health to accept the results of any tuberculosis test that is approved by the Food and Drug Administration and recommended by the Centers for Communicable Disease and Prevention for purposes of tuberculosis examination certificates.

Your Committee received testimony in support of this measure from eleven individuals.

Your Committee finds that tuberculosis testing is a requirement for many people in the State, including children entering school, school personnel, personnel working with high risk populations, and students enrolling in higher education programs. The skin reaction tuberculosis test currently used by the Department of Health requires two visits to the doctor or medical practitioner administering the test, and can cause complications in some patients. Your Committee further finds that other tests that are approved by the Food and Drug Administration exist with fewer risks of complication. Your Committee notes that the Department of Health is in the process of updating its rules to support an expanded range of approved tuberculosis tests.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 757 Ways and Means on S.B. No. 308

The purpose and intent of this measure is to preserve access to health care for Medicaid recipients.

More specifically, this Act:

- (1) Provides an annual inflationary adjustment in the methodology used to reimburse facilities for the long-term care of Medicaid recipients beginning with fiscal year 2017-2018; and
- (2) Appropriates funds to provide an inflationary adjustment to long-term care facilities' provider-specific prospective payment rates for fiscal years 2017-2018 and 2018-2019.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Hale Makua Health Services, Chamber of Commerce Hawaii, The Queen's Health Systems, Hawaii Pacific Health, Legacy of Life Hawaii, Hawaii Chapter of the American Physical Therapy Association, Ohana Pacific Management Company, and two individuals.

Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that there has not been an inflationary adjustment for Medicaid payments since fiscal year 2007-2008. Your Committee further finds that the inflationary adjustment provided by this measure will help economically stabilize the long-term care system in the State, allowing facilities to invest in needed maintenance and retain experienced staff.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee notes that it intends to consider including this appropriation in the General Appropriations Act of 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 308, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 308, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 758 Ways and Means on S.B. No. 500

The purpose and intent of this measure is to formally establish the resources for enrichment, athletics, culture, and health (R.E.A.C.H) program.

Specifically, this measure:

- (1) Establishes the R.E.A.C.H. program within the Department of Education Office of Community Engagement for the purpose of enhancing after-school programs in public schools;
- (2) Establishes the R.E.A.C.H. program special fund to deposit revenues from fees assessed by and appropriations for the program; and
- (3) Requires the Office of Community Engagement to submit annual reports to the Legislature on the expenditure of funds for services funded by the program.

Your Committee received written comments in support of this measure from the Office of the Lieutenant Governor, the Department of Education, the State Public Charter School Commission, the Office of Hawaiian Affairs, the Department of Education Honolulu District Office, Lanai High and Elementary School, Department of Human Services Office of Youth Services, Keaau Middle School, Stevenson Middle School, Maui High School, Waialua High and Intermediate School, Molokai Middle School, Hawaii Youth Services Network, American Heart Association, Hui for Excellence in Education, Hawaii Medical Service Association, Kapolei Middle School, and four individuals.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that over half of first-time juvenile arrests are of youth within the middle school age range. Your Committee further finds that after school programs keep children engaged, away from crime, and on a path that leads to success. A single program to coordinate and align all after-school programs will help to standardize framework and funding and maximize the benefit of revenues collected by and appropriations made for after-school programs.

Your Committee has amended this measure by:

- (1) Changing the program specialist for the R.E.A.C.H. program from an appointee of the Governor to an employee of the Department of Education; and
- (2) Specifying a deadline for the Community Engagement Office to submit the report to the Legislature.

To provide necessary funding for the R.E.A.C.H. program, your Committee intends to consider including a general fund appropriation for the program within the General Appropriations Act of 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 759 Ways and Means on S.B. No. 2

The purpose and intent of this measure is to require the Office of the Auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment of homelessness.

Your Committee received written comments in support of this measure from The Queen's Health Systems, the Institute for Human Services, Hawaii Association for Behavioral Analysis, and three individuals.

Your Committee received written comments on this measure from the Department of Human Services and the Governor's Coordinator on Homelessness.

Your Committee finds that there is an integral link between health and housing, especially for individuals who are chronically homeless. Individuals without housing often struggle to address their health needs, while those who are unable to address their health needs often struggle to obtain and retain housing. Your Committee further finds that the cost of caring for and treating the State's homeless population, including spending on hospitals, long-term care facilities, and home-based services, continues to rise. Your Committee recognizes that ensuring the availability of quality health care and preventative services can successfully mitigate increased future demand for high-cost medical services. Your Committee finds that a study by the Auditor is a necessary next step in a potentially transformative approach for treating the homeless population in the State.

Your Committee has amended this measure by:

- (1) Appropriating an unspecified sum of general funds for fiscal year 2017-2018, that is to be matched with federal funds, to cover the costs of the study; 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. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 760 Ways and Means on S.B. No. 430

The purpose and intent of this measure is to update the State's law that regulates athlete agents.

Specifically, the measure repeals the Uniform Athlete Agents Act and replaces it with the Revised Uniform Athlete Agents Act, which:

- (1) Expands the definition of "athlete agent" to include financial advisors under certain circumstances;
- (2) Requires reciprocity for athlete agents registered in more than one state;
- (3) Strengthens requirements for athlete agent contracts; and
- (4) Strengthens requirements for athlete agents to provide notifications to the educational institutions in which the student athlete is enrolled.

Your Committee received written comments in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, the University of Hawaii, and the Commission to Promote Uniform Legislation.

Your Committee received written comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that recruitment of student athletes in an improper manner can cause substantial eligibility problems for both the student athlete and the educational institution, which in turn can lead to severe economic sanctions and loss of scholarships for the institution. Since the adoption of the Uniform Athlete Agents Act, however, a variation of the sports agent problem has been developing in the form of "financial advisors" who are not regulated under that act. This measure is therefore needed to close the current double standard between financial advisors and athlete agents.

Your Committee has amended this measure by clarifying that a violation that shall constitute an unfair or deceptive act or practice under the measure is an act committed by the athlete agent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 430, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 430, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 761 Ways and Means on S.B. No. 536

The purpose and intent of this measure is to appropriate funds to the Department of Health for a fall prevention and early detection coordinator position.

Your Committee received written comments in support of this measure from the Hawaii Chapter of the American Physical Therapy Association, AARP Hawaii, ILWU Local 142, and four individuals.

Your Committee finds that falls are among the leading causes of hospitalization and severe injury among the elderly and cause an average of eighty-five deaths, 1,960 hospitalizations, and eight thousand seven hundred emergency room visits each year. These accidents result in almost \$1,200,000 in hospital and physician charges. Your Committee further finds that access to fall prevention services and programs would significantly reduce costs associated with falls. Your Committee also believes that continued support of these programs ultimately results in longer, healthier lives for the State's aging population.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated for fiscal years 2017-2018 and 2018-2019, respectively, from \$95,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee intends to consider including an appropriation for the fall prevention and early detection coordinator position in the General Appropriation Act of 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 536, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 536, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 762 Ways and Means on S.B. No. 403

The purpose and intent of this measure is to adapt and preserve certain benefits of the federal Patient Protection and Affordable Care Act under state law.

More specifically, this measure incorporates certain provisions into state personal income tax and health insurance laws, including a taxpayer's minimum essential coverage requirements and a related tax credit, and required health insurance provisions relating to essential health care benefits, extension of dependent coverage, prohibition of preexisting condition exclusions, prohibited discrimination in premiums or contributions, and nondiscrimination in health care.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs; AAUW Windward Oahu Branch; American Association of University Women of Hawaii; American Congress of Obstetricians and Gynecologists, Hawaii Section; American Heart Association; Breastfeeding Hawaii; Hawaii Children's Action Network; Hawaii Psychological Association; Hawaii Public Health Institute; Healthcare Association of Hawaii; ILWU Local 142; IMUAlliance; Kapiolani Medical Center for Women and Children; LGBT Caucus of the Democratic Party of Hawaii; March of Dimes; Planned Parenthood Votes Northwest and Hawaii; The Queen's Health Systems; and twenty-seven individuals.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Human Services, Department of Labor and Industrial Relations, Department of Taxation, Hawaii Employer-Union Health Benefits Trust Fund, AARP Hawaii, Hawaii Medical Service Association, Kaiser Permanente, and Tax Foundation of Hawaii.

Your Committee finds that for over forty years, Hawaii's Prepaid Health Care Act has ensured that Hawaii would have among the lowest levels of uninsured persons in the nation with regard to health insurance. The federal Patient Protection and Affordable Care Act has reduced the number of uninsured persons even further, affording 55,000 more Hawaii residents access to affordable care from doctors and hospitals. However, this achievement potentially is jeopardized with the proposed repeal of the federal act. Your Committee believes this measure is necessary to protect the elements of the federal act that have improved access to health care in Hawaii.

Your Committee notes that this measure is a work in progress. In particular, your Committee acknowledges an issue raised by the Department of Taxation concerning the applicable time period for implementing the tax credit established in this measure. Your Committee encourages the proponents of the measure to continue to work with the Department of Taxation on this and other issues in the measure.

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. 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, 9; Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 763 Ways and Means on S.B. No. 99

The purpose and intent of this measure is to increase access to housing by prohibiting any county from disqualifying a legal nonconforming dwelling unit from the housing choice voucher program if the unit meets zoning and building code requirements and other program standards such as health and safety standards.

Your Committee received written comments in support of this measure from Ho'omana Pono, LLC and two concerned individuals.

Your Committee received written comments on this measure from the Hawaii Public Housing Authority.

Your Committee finds that the State is in the midst of a low-income rental housing crisis due to the lack of available housing options. It is therefore necessary to remove as many barriers to affordable housing as possible. Your Committee finds that this measure will improve access to housing by limiting a county's ability to disqualify a legal nonconforming dwelling unit from the housing choice voucher program.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 99, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 99, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 764 Ways and Means on S.B. No. 1074

The purpose and intent of this measure is to appropriate funds to the State Foundation on Culture and the Arts to provide support for the task force established to plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol.

Your Committee received written comments in support of this measure from the State Foundation on Culture and the Arts, ILWU Local 142, and Center for Hawaiian Sovereignty Studies.

Your Committee finds that in 2016, the Legislature established a task force to plan and coordinate the celebration of the fiftieth anniversary of the Hawaii State Capitol, which was dedicated on March 15, 1969. Your Committee further finds that this measure will provide the necessary resources to commemorate the event and inform future generations of the Capitol's significance as a symbol of the State.

As received by your Committee, this measure appropriated \$250,000 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019. Your Committee questions the necessity of appropriating funds over two fiscal years, and respectfully suggests that a subsequent committee hearing this measure consider whether a one-time appropriation would be more appropriate.

Your Committee has amended this measure by:

- (1) Changing the appropriation from \$250,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1074, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1074, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 765 Ways and Means on S.B. No. 133

The purpose and intent of this measure is to require the Employer-Union Health Benefits Trust Fund and the Employees' Retirement System to update their financial status information on a more frequent basis.

Specifically, the measure:

- (1) Requires the actuary of the Hawaii Employer-Union Health Benefits Trust Fund to make an annual valuation of the fund;
- (2) Requires the actuary to include in the annual valuation of the fund an update of assumptions specific to the fund at least once every three years; and
- (3) Reduces the maximum period between experience studies of the Employees' Retirement System from five years to three years.

Your Committee received written comments on this measure from the Employees' Retirement System and the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee finds that the increasing liabilities and obligations for the pension and health insurance coverage of public employees are of major concern. Your Committee further finds that by providing more frequent monitoring of the experience and valuation of the retirement and health insurance funds, this measure will aid in the proper planning of future state and county budgetary needs.

Your Committee has amended this measure by:

- (1) Clarifying that the actuary conducting the annual valuation is the actuary retained by the Hawaii Employer-Union Health Benefits Trust Fund pursuant to section 87A-42, Hawaii Revised Statutes; and
- (2) Making conforming amendments to the purpose section to reflect the substantive provisions of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 133, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 133, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 766 (Majority) Ways and Means on S.B. No. 261

The purpose and intent of this measure is to improve public health in the State.

Specifically, the measure:

- (1) Prohibits smoking in a motor vehicle in which a person under the age of eighteen is present; and
- (2) Requires the Department of Health to report to the Legislature on the enforceability and coordination of data collection efforts of the respective law enforcement agencies.

Your Committee received written comments in support of this measure from the Department of Health, Hawaii Police Department, Hawaii Public Health Institute, Hawaii Public Health Association, American Heart Association, Hawaii Children's Action Network, Student Health Advisory Council, and seventy-six individuals. Written comments in opposition were received from the Hawaii Smokers Alliance and three individuals. One individual submitted written comments on the measure.

Your Committee finds that children need to be protected from secondhand smoke, particularly when they have no choice but to ride in a vehicle with a parent or other person who chooses to smoke in the confines of the vehicle. Your Committee notes that the County of Hawaii already prohibits smoking in a vehicle occupied by a person under eighteen years of age. Arkansas, California, Louisiana, Maine, Oregon, Utah, Vermont, and Virginia, as well as Puerto Rico, have all passed smoke-free vehicle laws to protect minors. Your Committee believes that this measure will reduce the damaging health effects of exposing children to secondhand smoke by providing a deterrent to the exposure.

Your Committee has amended this measure by clarifying that the Department of Health's report to the Legislature relates to the smoking ban established by this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 261, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 261, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 1 (Riviere). Excused, 3 (Dela Cruz, Kahele, Taniguchi).

SCRep. 767 Ways and Means on S.B. No. 412

The purpose and intent of this measure is to change the source of funding for the Campaign Spending Commission's operating expenses from the Hawaii Election Campaign Fund to the general revenues of the State.

This measure also appropriate general funds for the Commission's operating expenses.

Your Committee received written comments in support of this measure from the Campaign Spending Commission, League of Women Voters, Common Cause Hawaii, and one individual.

Your Committee finds that the Campaign Spending Commission operates on revenue derived from the \$3 state income tax check-off, interest generated from the principal, and funds that escheat to the Hawaii Election Campaign Fund. However, these revenues are not sufficient to fund the Campaign Spending Commission as the Commission has been operating at a net deficit for the past ten fiscal years. Your Committee believes that without a change in the source of funding, the Commission will not be able to run the public funding program for eligible candidates in the 2018 elections.

Additionally, your Committee notes that its preference is to use the General Appropriations Act as the funding vehicle for the appropriation in this measure.

Your Committee has amended this measure by changing the appropriation from \$505,585 to an unspecified amount 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. 412, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 412, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 768 Ways and Means on S.B. No. 855

The purpose and intent of this measure is to increase voter participation.

Specifically, the measure amends the absentee voting law by:

- (1) Providing that the submission of a voter registration application to either register to vote or update the voter's registration information shall constitute a request for permanent absentee voter status, unless the applicant specifically indicates the applicant does not wish to be a permanent absentee voter; and
- (2) Replacing the requirement that the application to register as a voter include a space to request a permanent absentee ballot with a requirement that the application include a space for the applicant to decline permanent absentee ballot status.

Your Committee received written comments in support of this measure from the Office of Elections; Common Cause Hawaii; League of Women Voters of Hawaii; Hawaii Alliance for Progressive Action; Americans for Democratic Action; and twelve individuals.

Your Committee believes that this measure will make voting more convenient, and thus improve voter participation, by ensuring that every registered voter will receive a ballot by mail, unless the voter affirmatively opts out of receiving absentee ballots and chooses to vote in person.

Your Committee has amended this measure by replacing the word "person" with the word "applicant," as appropriate, in section 2 of the measure for the purpose of using consistent terminology.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 855, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 769 Ways and Means on S.B. No. 891

The purpose and intent of this measure is to establish penalties on employers who do not abide by the income withholding requirements that apply to an employer with respect to child and spousal support payments.

Specifically, the measure imposes a fine against any employer who:

- (1) Discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding; or
- (2) Fails to withhold support from income or forward the amounts to the court or Child Support Enforcement Agency.

Your Committee received written comments in support of this measure from the Department of the Attorney General.

Your Committee finds that Hawaii is mandated by federal law to enact laws that require the imposition of a fine against any employer who discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding, or who fails to withhold support from income or pay the amounts to a child support agency. Your Committee further finds that compliance with this federal mandate will maintain the State's eligibility for federal welfare funding and federal funding of child support enforcement programs.

Your Committee has amended this measure by:

- (1) Deleting section 1, which addressed in part the applicable penalty for an employer's failure to withhold child or spousal support from income or forward those amounts to the court or Child Support Enforcement Agency, and renumbering the measure's remaining sections, in order to avoid exceeding the scope of the measure's title;
- (2) Conforming the text of section 576E-16(e), Hawaii Revised Statutes, to the printed version of the Hawaii Revised Statutes by inserting four missing words;
- (3) Deleting a reference to contempt of court and clarifying that a fine not to exceed \$1,000 may be imposed by a court on an employer who violates section 576E-16(e), Hawaii Revised Statutes, by discharging from employment, refusing to employ, or taking disciplinary action against any employee subject to income withholding; and
- (4) Inserting a savings clause.

As affirmed by the record of votes of the members of your Committee 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, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 891, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 770 Ways and Means on S.B. No. 897

The purpose and intent of this measure is to facilitate compliance with a new Internal Revenue Service requirement that all agencies receiving federal tax information perform criminal history record checks, including a Federal Bureau of Investigation fingerprint search, of all employees, employee applicants, and contractors who have access to federal tax information.

More specifically, this measure adds the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to the list of entities that are authorized to conduct criminal history record checks of current employees, prospective employees, and contractors who have access to federal tax information.

Your Committee received written comments in support of this measure from the Department of Taxation, Department of the Attorney General, Department of Labor and Industrial Relations, and Office of the Mayor, County of Hawaii.

Your Committee finds that this measure will allow the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to comply with federal law and continue to perform their core functions. Your Committee believes that the counties should be able to conduct criminal background checks for the same purpose.

Your Committee has amended this measure by:

- (1) Changing the placement of the new section that authorizes the Department of Labor and Industrial Relations to conduct criminal history records checks from chapter 383, Hawaii Revised Statutes, to chapter 371, Hawaii Revised Statutes, to ensure that the Department of Labor and Industrial Relations is able to conduct criminal history records checks on all employees, employee applicants, and contractors who have access to federal tax information rather than just those who are associated with the department's employment security law enforcement activities;
- (2) Re-inserting references to contractors in relation to criminal history records checks of persons who are employed or seeking employment with the Department of Labor and Industrial Relations;
- (3) Specifying that the counties are authorized to conduct criminal history record checks of current employees, prospective employees, and contractors who have or will have access to federal tax information; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 897, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 771 Ways and Means on S.B. No. 935

The purpose and intent of this measure is to authorize the Hawaii Employer-Union Health Benefits Trust Fund to employ staff through the civil service system and to appropriate funds for that purpose.

Your Committee received written comments in support of this measure from the Hawaii Employer-Union Health Benefits Trust Fund and the Hawaii Government Employees Association.

Your Committee finds that operations of the Hawaii Employer-Union Health Benefits Trust Fund have been hindered by the high turnover rate of its employees, who attribute their exempt civil service status as one of the reasons for leaving. Your Committee further finds that authorizing the trust fund to recruit employees through the civil service system will assist the trust fund in retaining its employees.

Your Committee has amended this measure by:

- (1) Specifying that the staff may be exempt from, or subject to, the civil service laws, at the discretion of the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund;
- (2) Clarifying that the references to staff who serve at the pleasure of the board and who are exempt from certain civil service law provisions are to exempt staff positions; and
- (3) Specifying that the means of financing for the appropriation is the Hawaii Employer-Union Health Benefits Trust Fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 935, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 935, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Kahele).

SCRep. 772 Ways and Means on S.B. No. 936

The purpose and intent of this measure is to update the Employees' Retirement System laws relating to pension benefits administration.

Specifically, the measure:

- (1) Extends the benefit finalization period for December 31 retirements;
- (2) Changes the interest rate for late benefit finalizations;
- (3) Extends the deadline for certain employer payments; and
- (4) Allows a delegation of certain disability retirement and service-connected death benefit approval functions.

Your Committee received written comments in support of this measure from the Employees' Retirement System.

Your Committee finds that this housekeeping measure proposed by the administration will enable the Employees' Retirement System to improve its services to members and beneficiaries.

Your Committee has amended this measure by:

- (1) Correcting errors in the quoted statutory text; and
- (2) Clarifying amending language.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of 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, 10. Noes, none. Excused, 1 (Kahele).

SCRep. 773 Ways and Means on S.B. No. 970

The purpose and intent of this measure is to extend the temporary exemption from chapter 76, Hawaii Revised Statutes, for the five full-time medical marijuana dispensary program personnel at the Department of Health, as authorized by Act 241, Session Laws of Hawaii 2015.

Your Committee received comments in support of this measure from the Department of Health.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from Patients Without Time.

Your Committee finds that timely implementation of the Medical Marijuana Dispensary Program was delayed in part because, despite the exemption from chapter 76, Hawaii Revised Statutes, local workers with specialized experience were not immediately available for hire. Extending the exemption for certain dispensary program personnel is necessary to ensure that implementation of the program is not disrupted and further delayed by the loss of incumbent exempt personnel.

Your Committee has amended this measure by:

- (1) Making a technical amendment to conform with recommended drafting conventions; and
- (2) Changing the effective date from June 30, 2017, to June 29, 2017, so that the measure will become effective prior to the June 30, 2017, expiration of the previously authorized exemption from chapter 76, 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. 970, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 970, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (Taniguchi). Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 774 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 889

The purpose and intent of this measure is to clarify the personal liability requirements for professionally licensed or certified employees of the State by:

- (1) Clarifying that the State shall be exclusively liable for civil tort claims resulting from the negligent or wrongful act or omission of a professionally licensed or certified employee of the State acting within the scope of the employee's office or employment;
- (2) Precluding civil actions or proceedings for money damages against the employee, except for claims based on liability other than an employee's scope of employment with the State or other employer; and
- (3) Clarifying liability when the State agrees to assume full or partial responsibility in a civil action against a professionally licensed or certified employee.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Department of Accounting and General Services; Department of Health; Department of Public Safety; Department of Taxation; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committees find that state employees are generally afforded qualified immunity for torts as a result of actions taken while in the course and scope of their state employment, which affords these employees protection from individual liability. However, in the recent case of *Slingluff v. State*, 317 P.3d 683 (Haw. Ct. App. 2013), the Intermediate Court of Appeals held that "physicians employed by the State, including prison doctors, exercising purely medical discretion in the diagnosis and treatment of potentially injured or sick people, are not protected from medical malpractice claims by the doctrine of qualified immunity under Hawaii law." This measure seeks to clarify the issue of state defense and indemnification of professionally licensed or certified employees.

Your Committees have amended this measure by inserting an effective date of January 7, 2059, 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 S.B. No. 889, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 889, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 775 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 968

The purpose and intent of this measure is to establish thirty-four permanent civil service positions in the Hawaii Public Housing Authority's Multi-Skilled Worker Program.

Your Committees received testimony in support of this measure from the Department of Human Resources Development and Hawaii Public Housing Authority.

Your Committees find that the Hawaii Public Housing Authority Multi-Skilled Worker Program is a crucial component of the State's effort to meet the critical need for public housing in Hawaii. Your Committees further find that the program currently operates at approximately half of its staffing capacity.

Your Committees have amended this measure by:

- (1) Deleting section 1;
- (2) Clarifying that this measure establishes permanent civil service positions, rather than authorizing their establishment;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that it is unclear whether sufficient funding exists for the permanent civil service positions established by this measure and acknowledge that additional appropriations may be necessary.

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. 968, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 968, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 776 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 988

The purpose and intent of this measure is to:

- (1) Require an owner or occupier intending to utilize the exemption to the building code and permit requirements under section 46-88, Hawaii Revised Statutes, to provide written notice to the appropriate county agency of the size, type, and location of the proposed building;
- (2) Require the appropriate county agency to determine that a building permit is not necessary to comply with local, state, and federal floodplain management development standards, or National Flood Insurance Program regulations; and
- (3) Establish that section 46-88, Hawaii Revised Statutes, does not exempt any new or existing agricultural buildings, structures, related appurtenances, or other development from local, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to National Flood Insurance Program requirements.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Commerce and Consumer Affairs; Department of Land and Natural Resources; Hawaii Emergency Management Agency; Hawaii Housing Finance and Development Corporation; Office of the Mayor, County of Hawaii; Department of Emergency Management, City and County of Honolulu; Department of Planning and Permitting, City and County of Honolulu; Hawaii Insurers Council; Hawaii Aquaculture and Aquaponics Association; Hawaii Cattlemen's Council, Inc.; Hawaii Financial Services Association; Maui County Farm Bureau; and one individual. Your Committees received comments on this measure from the Hawai'i Farm Bureau and Ponoholo Ranch, Limited.

Your Committees find that it is essential that building code and building permit requirements comply with the requirements of the National Flood Insurance Program as administered by the Federal Emergency Management Agency. Failure to maintain compliance with the program's requirements could result in the Federal Emergency Management Agency initiating suspension procedures throughout the State, which could lead to the loss of National Flood Insurance Program insurance coverage and impact eligibility for certain federal disaster assistance. Your Committees further find that the building code and permit requirement statutes exempt some agricultural buildings, structures, and appurtenances, causing them to fall outside the National Flood Insurance Program requirements. This measure seeks to ensure that all agricultural structures are in compliance with the National Flood Insurance Program.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 S.B. No. 988, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 988, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 777 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 991

The purpose and intent of this measure is to decriminalize traffic infractions within the Department of Land and Natural Resources' natural area reserves, game management areas, wildlife sanctuaries, and public hunting areas.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committees find that Act 124, Session Laws of Hawaii 2005, mandated the identification of minor criminal offenses for which typically only a fine is imposed and which may be decriminalized without undermining the ability of government to enforce laws within its jurisdiction. Your Committees further find that Act 101, Session Laws of Hawaii 2008, decriminalized traffic violations in state parks and recreation areas and ocean recreation and coastal areas. This measure decriminalizes traffic violations within the Department of Land and Natural Resources' natural area reserves, game management areas, wildlife sanctuaries, and public hunting areas so that they are consistent with Act 101 and makes resolution of certain minor criminal offenses as simple as possible for the average citizen while ensuring that police, prosecutor, and judicial resources are focused on the most serious criminal offenses.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 S.B. No. 991, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 991, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 778 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 996

The purpose and intent of this measure is to allow corrections agencies to subject employees or prospective employees to lie detector tests and psychological tests without constituting discriminatory employment practices.

Your Committees received testimony in support of this measure from the Department of Public Safety.

Your Committees find that the hiring of high-quality employees by the Department of Public Safety, particularly in corrections agencies, is vital to protecting the health, safety, and welfare of the public. This measure allows corrections agencies to require employees or prospective employees to submit to a lie detector test or psychological test as a condition of employment or continued employment to increase the quality of employees.

Your Committees have amended this measure by inserting an effective date of January 7, 2059, 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 S.B. No. 996, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 996, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 779 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 1039

The purpose and intent of this measure is to require the Department of Public Safety to work with appropriate federal and state agencies to assist inmates in obtaining important government documents, including a social security card, driver's license, civil identification card, or birth certificate.

Your Committees received testimony in support of this measure from the Department of Public Safety; Office of Hawaiian Affairs; Hawaii Paroling Authority; Community Alliance on Prisons; Ho'omana Pono, LLC; YWCA Oahu; and seven individuals.

Your Committees find that assisting inmates to transition back into everyday life is a vital component of successful inmate rehabilitation. Inmates who are incarcerated for long periods of time often lose important government documents pertaining to their identities, such as a social security card, birth certificate, driver's license, or civil identification card, which can prevent the former inmate from successfully transitioning back into society. Your Committees find that it is necessary to establish guidelines requiring the Department of Public Safety to work with appropriate federal and state agencies to assist eligible inmates in obtaining important government documents.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 S.B. No. 1039, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1039, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 780 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 1070

The purpose and intent of this measure is to:

- (1) Provide a bidder of a public works construction project with two hours after the closing of a bid to clarify and correct minor technical issues with subcontractor listings; and
- (2) Afford a legal means of redress to subcontractors affected by bid shopping and bid peddling practices in public works.

Your Committees received testimony in support of this measure from BIA-Hawaii; General Contractors Association of Hawaii; Jayar Construction, Inc.; LYZ, Inc.; Nordic PCL Construction, Inc.; Ralph S. Inouye Co., Ltd.; Alan Shintani Inc.; and S & M Sakamoto, Inc. Your Committees received testimony in opposition to this measure from the State Procurement Office; Subcontractors Association of Hawaii; Dorvin D. Leis Co., Inc.; HSI Mechanical, Inc.; and Plumbing and Mechanical Contractors Association of Hawaii. Your Committees received comments on this measure from the Department of Accounting and General Services; Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs; and Contractors License Board, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs.

Your Committees find that allowing subcontractor plaintiffs to recover monetary damages from prime contractors and substituted subcontractors would discourage the unscrupulous practice of bid shopping and bid peddling in the competitive sealed bidding process. Your Committees also find that the competitive sealed bidding process can be improved by providing additional time for bidders to clarify and correct subcontractor information, which may minimize bid challenges, costs, and delays of public works projects while maintaining the integrity of the bid process.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 S.B. No. 1070, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1070, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 781 Ways and Means on S.B. No. 689

The purpose and intent of this measure is to authorize a county fire department and building permitting agency to enter private property, upon reasonable notice to the owner or occupier, to investigate whether certain agricultural buildings that are exempted from building permit and building code requirements are in compliance with statutes that provide for the exemptions.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Cattlemen's Council, Hawaii Farm Bureau, and Ponoholo Ranch Limited.

Your Committee finds that active monitoring and enforcement regarding building permit and building code exemptions for certain agricultural buildings will ensure that applicable structures qualify for the exemptions and are being used for qualifying purposes.

Your Committee has amended this measure by:

- (1) Providing that an investigating county agency may apply to the district court for a warrant commanding police assistance if entry to applicable private property is refused after reasonable notice is given; and
- (2) Making technical nonsubstantive amendments to conform with the foregoing for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 689, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 689, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 782 Ways and Means on S.B. No. 704

The purpose and intent of this measure is to better understand the issue and impacts of online vacation rentals of residential properties and develop strategies to mitigate any adverse impacts caused by this industry.

Specifically, the measure establishes an online vacation rental working group to:

- (1) Develop effective data collection methods that can assist state and county governments in monitoring the impact that short-term vacation rentals have on tax collections, housing stock, and the State's brand as a vacation destination; and
- (2) Create effective proposals that ensure government-subsidized rental housing and long-term leasehold housing remain in long-term rental or eligible rental use for a mandatory time period.

The Department of Business, Economic Development, and Tourism; Kohala Coast Resort Association; Rental By Owner Awareness Association; ILWU Local 142; and one individual submitted written comments in support of this measure. The Department of Taxation and Hawaii Association of REALTORS submitted comments on this measure.

Your Committee finds that more than forty online platforms currently facilitate thousands of short-term rentals of properties within the State, which range from single rooms in private homes to entire villas. Your Committee finds that an online vacation rental working group assigned to help develop effective data collection methods can assist state and county governments in monitoring the impact that short-term vacation rentals have in the State.

Your Committee also finds that short-term vacation rentals present a complex issue that also involves matters not directly addressed in this measure, such as enforcement challenges related to real estate licensing laws and the residential landlord-tenant code.

Your Committee notes that although the online vacation rental working group is administratively attached to the Department of Business, Economic Development, and Tourism, the director of that department is not a member of the working group. Your Committee also notes the recommendation by the Department of Business, Economic Development, and Tourism that the working group be attached instead to the Hawaii Tourism Authority, because the latter agency has extensive experience in collecting visitor industry data.

Your Committee has amended this measure by:

- (1) Expanding the purpose of the online vacation rental working group to include addressing compliance and enforcement challenges, including those relating to real estate licensing laws and the residential landlord-tenant code;
- (2) Making conforming amendments to the purpose section to reflect the foregoing changes; 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. 704, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 704, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Shimabukuro, Wakai).

SCRep. 783 Ways and Means on S.B. No. 763

The purpose and intent of this measure is to appropriate funds to the High Technology Development Corporation so its Small Business Innovation Research Program can support continued innovation in the State.

Your Committee received written comments in support of this measure from the County of Kauai; Maui Chamber of Commerce; Chamber of Commerce Hawaii; Spectrum Photonics; High Technology Development Corporation; Studio Kinection, Inc.; Hawaii Evolutionary Development, LLC; 3SRM, Inc.; HNu Photonics; Experiad Solutions; Navatek; Kapalya, Inc.; and one individual.

Your Committee finds that the High Technology Development Corporation is a key state agency in developing and supporting the innovation industry in the State. Your Committee notes that the Corporation's Small Business Innovation Research Program is a competitive program that helps small businesses grow and succeed by awarding grants for research and development. Your Committee believes that the program's federal grant matching system is one of the key components in diversifying and accelerating innovation and the economy of the State.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated from \$2,000,000 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. 763, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 763, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 784 Ways and Means on S.B. No. 900

The purpose and intent of this measure is to improve the State's community-based economic development program.

Specifically, this measure:

- (1) Expands the definition of community-based organization to remove the requirement that the organization be membership-based;
- (2) Decreases the number of members of the Community-based Economic Development Council from twelve members to ten;
- (3) Authorizes grants to be issued for provision of technical assistance to community-based organizations; and
- (4) Deletes the requirement that community-based organizations show, at the time of applying for a grant, that the benefits of the grant will be realized for a continuous period of five years.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Alliance for Community-Based Development.

Your Committee finds that some nonprofit organizations active in community-based economic development are not "membership-based." Removing the membership-based requirement from the definition of "community-based organization" will allow the Council to assist these otherwise qualified non-profit organizations.

Your Committee further finds that the Council has experienced difficulty making a quorum and that reducing the membership from twelve members to ten will facilitate the scheduling of meetings and complying with the requirements to conduct business.

Your Committee believes that adding technical assistance as a grant option will assist grassroots organizations and other groups with limited technical and financial capacity. Similarly, deleting the five-year continuous benefit demonstration requirement will remove an obstacle to applying for grant assistance.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 900, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 900, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 785 Ways and Means on S.B. No. 902

The purpose and intent of this measure is to update various provisions relating to the High Technology Development Corporation.

More specifically, this measure:

- (1) Changes the name of the High Technology Development Corporation to the Hawaii Technology Development Corporation;
- (2) Replaces statutory references to "high technology" with "technology"; and
- (3) Repeals the laws that established the Hawaii Software Service Center.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, and one individual.

Your Committee finds that the High Technology Development Corporation was established in 1983 to facilitate the development and growth of Hawaii's commercial high technology industry. Three decades later, what was once referred to as "high technology" is now simply referred to as "technology." Accordingly, your Committee believes that the name of the Corporation whose mission is to encourage the growth of technology in the State should be updated to more accurately reflect its mission.

Additionally, your Committee finds that the Hawaii Software Service Center within the High Technology Development Corporation has been unfunded and inactive for at least ten years, and thus should be repealed as it is obsolete.

As affirmed by the record of votes of the members of your Committee 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, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 786 Ways and Means on S.B. No. 910

The purpose and intent of this measure is to replace the requirements imposed upon the Department of Business, Economic Development, and Tourism relating to the certification, administration, and verification of the renewable fuels production tax credit with a survey to be filed with the department by each taxpayer claiming the credit.

The Department of Taxation and the Department of Business, Economic Development, and Tourism submitted written comments on this measure.

Your Committee finds that the Department of Business, Economic Development, and Tourism lacks the expertise and resources necessary to fulfill existing statutory duties pertaining to certification, administration, and verification under certain provisions of the State's renewable fuels production tax credit law. Your Committee believes that the requirements of this measure, which are aligned with the department's existing resources and expertise, will still provide for the collection of relevant data regarding the tax credit's effectiveness.

Your Committee has amended this measure by:

- (1) Making a correction to clarify that the \$3,000,000 annual aggregate cap on the renewable fuels production tax credit applies to a calendar year; and
- (2) Changing the effective date to July 1, 2050, and applying the measure to taxable years after December 31, 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. 910, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 910, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 787 Ways and Means on S.B. No. 955

The purpose and intent of this measure is to establish the Hawaii State Fusion Center as a program under the Office of Homeland Security that would be overseen by a director to be appointed by the Director of Homeland Security.

Your Committee received written comments in support of this measure from the Department of Defense, Department of Human Services, Office of Homeland Security, and The Maritime Group LLC.

Your Committee finds that the goal of the Hawaii State Fusion Center is to serve as the State's focal point for receipt and analysis of threat-related information and to share that information among federal, state, county, and private sector partners. As security threats increase, your Committee believes it is essential that the State maintain the ability to coordinate the efficient and effective sharing of security information across all levels of government. Accordingly, this measure formally establishes the Hawaii State Fusion Center in statute.

Your Committee notes that a general fund appropriation of \$80,000 and a 1.00 full-time equivalent temporary position has been requested for the Hawaii State Fusion Center. In addition, the Department of Defense has indicated to your Committee that the enabling statute created by this measure is required to establish the Center.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive amendments for clarity, consistency, and style; 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. 955, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 955, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 788 Ways and Means on S.B. No. 1200

The purpose and intent of this measure is to appropriate moneys for the creation of a master plan and environmental impact statement for the construction of a new Aloha Stadium.

Your Committee received written comments in support of this measure from the Stadium Authority and two individuals.

Your Committee finds that in January 2017, the Stadium Authority approved a resolution stating its intention to build a new stadium since extensive repairs to the existing stadium would be more costly than constructing a new and more modern facility. However, various obstacles, many of which are financially based, prevent the Stadium Authority from moving forward with its plans to construct a new stadium. Your Committee believes that appropriating moneys to the Stadium Authority to complete a master plan and environmental impact statement for the construction of a new stadium will alleviate some of the obstacles preventing the Authority from moving forward with development and construction.

Your Committee has amended this measure by changing the effective date to April 2, 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. 1200, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1200, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 789 Ways and Means on S.B. No. 1210

The purpose and intent of this measure is to authorize the counties to develop public-private partnerships to construct relief sewers for affordable housing development projects.

Your Committee received written comments in support of this measure from the Chamber of Commerce Hawaii and one concerned individual.

Your Committee received written comments in opposition to this measure from one concerned individual.

Your Committee finds that the lack of affordable housing is a growing threat to the health, safety, and welfare of the people of the State. Your Committee believes this measure will help address this issue by encouraging cooperation between government and private entities to develop the relief sewer infrastructure required to support the development of new affordable housing projects.

Your Committee has amended this measure by:

- (1) Directing the mayor of each county to appoint an officer to oversee the public-private partnerships entered into by the respective county; 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. 1210, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1210, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 790 Ways and Means on S.B. No. 1286

The purpose and intent of this measure is to clarify the scope of the Department of Education's private trade, vocational, or technical school licensure program and to establish a licensing fee.

This measure also appropriates funds for the administrative costs of the licensure program, including the establishment of a permanent, full-time position within the Department of Education.

Your Committee received written comments in support of this measure from the Department of Education and one individual.

Your Committee received written comments in opposition to this measure from the Hawaii Institute of Hair Design and the Travel Institute of the Pacific.

Your Committee received written comments on this measure from the Department of Budget and Finance, the Department of Commerce and Consumer Affairs, the Pacific Center for Awareness and Bodywork, Maui Academy of Healing Arts, Mauna Loa Helicopters, and fifteen individuals.

Your Committee finds that the licensing of the myriad private trade, vocational, and technical schools is beyond the scope of the Department of Education's primary mission and ability. Accreditation of these schools consumes valuable resources that would otherwise be used to benefit public school students. Your Committee believes that focusing the scope of the Department of Education's licensing jurisdiction will lessen the Department's regulatory burden. Your Committee also finds that establishing a licensing fee will help to offset the costs incurred by the Department of Education to license the various schools.

Your Committee further finds that requiring schools to certify that they have students currently receiving, or who have applied to receive, aid under title IV of the Higher Education Act of 1965, places an undue burden on some schools and can impose requirements that conflict with the policies of state licensing boards.

Your Committee has amended this measure by:

- (1) Removing the provision exempting flying schools from the definition of “private trade, vocational, or technical school”;
- (2) Removing the provision requiring that the applicant school have students who currently receive or who have applied for aid under title IV of the Higher Education Act of 1965;
- (3) Specifying that the list of complaints to accompany an application for renewal of a license shall include complaints filed within the past two years with any state or federal government agency or directly with the school;
- (4) Changing the amendments made to the definition of “license” in section 302A-101, Hawaii Revised Statutes, to restore the existing exemption of section 302A-426, Hawaii Revised Statutes, from the definition; and
- (5) 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. 1286, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1286, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 791 Ways and Means on S.B. No. 1292

The purpose and intent of this measure is to revitalize a portion of East Hawaii by establishing the Hilo community economic district to facilitate economic development and improvements to facilities and infrastructure.

Additionally, this measure reestablishes the Hawaii Community Development Authority as the “Hawaii Community Development Authorities”, and establishes different governance requirements for counties with a population of five hundred thousand or more, and for counties with a population of less than five hundred thousand.

Your Committee received written comments in support of this measure from the University of Hawaii System, the East Hawaii Region of Hawaii Health Systems Corporation, the Mayor of the County of Hawaii, the Councilmember from District Three of the County of Hawaii, the Banyan Drive Hawaii Redevelopment Agency, the Chamber of Commerce Hawaii, the Hawaii Farm Bureau, the Hawaii Government Employees Association, HPM Building Supply, ILWU Local 142, Kadota Liquor, the Kanoelehua Industrial Area Association, and seven individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Department of the Attorney General, the Department of Budget and Finance, the Department of Land and Natural Resources, and the Hawaii Community Development Authority.

Your Committee finds that the Legislature created the Hawaii Community Development Authority to revitalize urban areas that were declining economically, and that the Authority can provide valuable guidance for other communities. Your Committee further finds that there is potential for increased growth and revitalization in Hilo to improve the supply of workforce and affordable housing, parks and open spaces, public facilities, and commercial, industrial, and hotel facilities. Your Committee believes that establishing the Hilo Community Economic District would coordinate redevelopment and encourage new investment and infrastructure in Hilo.

Your Committee notes that Article III, section 14, of the State of Hawaii Constitution mandates that “[e]ach law shall embrace but one subject, which shall be expressed in its title”. The title of this measure is “RELATING TO THE HILO COMMUNITY ECONOMIC DISTRICT”, and the Department of the Attorney General has raised concerns that previous amendments to the measure, which reestablishes the Hawaii Community Development Authority as the “Hawaii Community Development Authorities”, could be construed as violating that constitutional provision, since development districts located outside of Hilo and controlled by the Hawaii Community Development Authority could be impacted.

Accordingly, to address those concerns, your Committee has amended this measure by restoring it to the form in which it was originally introduced as S.B. No. 1292, which established the Hilo community economic district and a revolving fund to be used for the district’s redevelopment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1292, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1292, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 792 Ways and Means on S.B. No. 1307

The purpose and intent of this measure is to establish neighborhood revitalization boards to plan and implement collaborative neighborhood revitalization strategies adopted by the State, counties, and local stakeholders.

Your Committee received written comments in support of this measure from the Department of Planning and Permitting of the City and County of Honolulu and three individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that receiving input related to neighborhood development from the residents and businesses to be most affected by development is vital for determining the actual needs of individual neighborhoods. Your Committee believes that neighborhood revitalization boards can collaboratively foster a sense of community and provide invaluable insight for targeting revitalization efforts.

Your Committee has amended this measure by:

- (1) Changing the per cent of matching funds to be provided by the counties from twenty per cent to an unspecified percentage; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1307, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1307, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 793 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 522

The purpose and intent of this measure is to prevent sudden unexpected infant deaths and sudden infant death syndrome in child care facilities by:

- (1) Strengthening the safe sleep policy for child care facilities for children less than one year of age by requiring placement of children on their backs for sleeping and establishing notice and annual training requirements; and
- (2) Requiring child care facilities to report the death of a child less than one year of age that occurs in a child care facility to the Department of Human Services.

Your Committees received testimony in support of this measure from the Hawaii Children's Action Network and fifty-nine individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services. Your Committees received comments on this measure from the Department of Health.

Your Committees find that many cases of sudden unexpected infant deaths and sudden infant death syndrome are preventable through safe sleep policies that address causes of death associated with sudden unexpected infant deaths and sudden infant death syndrome. Your Committees further find that the State regulates and inspects child care facilities through the Department of Human Services' child care licensing program to ensure the health and safety of all children in child care.

Your Committees additionally find that on February 6, 2017, the Department of Human Services conducted a public hearing to hear proposed amendments to administrative rules for registered family child care homes and licensed infant and toddler child care centers. The proposed amendments sought to improve safety and care by accommodating any changes to best practices and standards of care that may occur related to sleep-related deaths in infants. After consideration of comments and oral testimony provided at the public hearing, the Department adopted amendments to the administrative rules that became effective on February 24, 2017. Your Committees note that it is the intent of the Legislature to incorporate the recently-amended administrative rules into this measure.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to clarify that a safe sleep policy shall require each child care facility to ensure that any child less than one year of age is placed on the child's back to sleep, unless written instructions are on file at the child care facility from a healthcare practitioner indicating an alternate sleep position;
- (2) Inserting the term "provider" to replace the term "operator" in regard to referencing a child care facility;
- (3) Deleting language that required the Department of Human Services to conduct safe sleep training and replacing it with language that:
 - (A) Requires all employees, household members, and volunteers of a child care facility to complete upon hire, and annually thereafter, training in safe sleep practices that is approved by the department; and
 - (B) Requires each child care facility to maintain a record of trainings completed;
- (4) Inserting language to specify that every child care facility shall report to the Department of Human Services, within one working day of occurrence, the death of a child, employee, or household member, and any illness or injury received at the child care facility that results in a child's hospitalization; 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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 522, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 522, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 794 Commerce, Consumer Protection, and Health on S.B. No. 1258

The purpose and intent of this measure is to:

- (1) Establish requirements for operating an autocycle; and
- (2) Define "autocycle".

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received comments on this measure from Polaris.

Your Committee finds that a significant number of states have developed definitions for the treatment of autocycles, a newer type of vehicle composed of three wheels and non-traditional seating that is manufactured to federal motorcycle safety standards. However, existing Hawaii law does not allow for the registration of these unique vehicles. Accordingly, this measure requires autocycles to be registered as motor vehicles, requires operators of autocycles to possess a valid driver's license, and establishes a definition for autocycle.

Your Committee notes that an autocycle has handling and operating characteristics that are more in line with a motor vehicle, rather than a motorcycle. As such, an amendment to this measure is necessary to clarify that a valid type 3 license (relating to passenger motor vehicles) is required to operate an autocycle. Your Committee has also heard testimony that most autocycles do not meet the federal Motor Vehicle Safety Standards for passenger motor vehicles. Amendments to this measure are therefore necessary to incorporate certain consumer protection requirements for the registration and operation of autocycles in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a valid type 3 driver's license is required for operation of an autocycle;
- (2) Requiring occupants in an autocycle not equipped with a front windshield to use eye protection;
- (3) Requiring occupants in an autocycle to comply with mandatory seat belt requirements;
- (4) Requiring all dealers, sellers, lessors, and rental agencies to disclose certain information, as applicable, relating to autocycles and the federal Motor Vehicle Safety Standards for passenger motor vehicles;
- (5) Amending the definition of "autocycle";
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) 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, Consumer Protection, and Health 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 Third Reading in the form attached hereto as S.B. No. 1258, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 795 Commerce, Consumer Protection, and Health on S.B. No. 584

The purpose and intent of this measure is to:

- (1) Remove the requirement that a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii Housing Finance and Development Corporation be a family member; and
- (2) Require a qualified resident who is assisted by a co-mortgagor to have an income of at least fifty percent of the amount required to qualify for a loan to purchase the dwelling unit.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the Hawaii Housing Finance and Development Corporation is tasked with developing and financing low- and moderate-income housing projects and administering homeownership programs, including the provision of mortgages for affordable housing units to qualifying residents. Some affordable units may still be unaffordable to first-time buyers without financial assistance from family and friends. For residents of Hawaii, "family" frequently extends to cousins, uncles, aunts, step-parents, and "hanai" family members who may not fall within the definition of "family" used by the Hawaii Housing Finance and Development Corporation, but who may still have the financial capacity and willingness to assist buyers with the down payment or qualification for a mortgage. By allowing extended or hanai family members to act as a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit, more of the State's residents may qualify to purchase affordable housing.

However, your Committee recognizes the importance of qualified residents having the necessary income to qualify for a mortgage loan. Your Committee also finds that a more tailored amendment could accomplish the goal of allowing extended and hanai family members to provide assistance in securing a mortgage without repealing altogether the requirement that the co-mortgagor be a family member.

Accordingly, your Committee has amended this measure by:

- (1) Reinstating language that requires that a co-mortgagor assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii Housing Finance and Development Corporation be a family member;
- (2) Inserting language that allows an extended or hanai family member to act as a co-mortgagor in assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii Housing Finance and Development Corporation;
- (3) Deleting language that would have required a qualified resident who is assisted by a co-mortgagor to have an income of at least fifty percent of the amount required to qualify for a loan to purchase the dwelling unit;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 584, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 584, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 796 Commerce, Consumer Protection, and Health on S.B. No. 593

The purpose and intent of this measure is to:

- (1) Require research facilities to make available for adoption healthy cats and dogs that are no longer required for research; and
- (2) Allow research facilities to contract with nonprofit animal shelters and rescue groups to facilitate the adoptions.

Your Committee received testimony in support of this measure from the Humane Society of the United States, Hawaiian Humane Society, National Anti-Vivisection Society, For Forgotten Felines, and six individuals. Your Committee received testimony in opposition to this measure from the National Association for Biomedical Research and three individuals. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that thousands of cats and dogs are used in research each year. Although many of these animals are healthy and suitable for adoption after they are used for research purposes, most of them are euthanized. Your Committee finds that encouraging working relationships between research facilities and animal rescue organizations will save the lives of many adoptable animals. Your Committee has received testimony indicating that the University of Hawaii has a protocol in place for adopting out animals that remain healthy following research, and notes that this measure will require other research facilities using dogs and cats for research to meet a similar standard.

Your Committee has amended this measure by adding language to specify that research facilities are the ones who shall determine whether cats and dogs are suitable for adoption.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 Third Reading in the form attached hereto as S.B. No. 593, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6; Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Ruderman).

SCRep. 797 Ways and Means on S.B. No. 110

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to use aquatic in-lieu fee mitigation as a form of compensatory mitigation for damage to aquatic habitats or resources.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Ocean Tourism Coalition, Democratic Party of Hawaii, The Nature Conservancy, and one individual.

Your Committee finds that authorizing aquatic in-lieu fee mitigation will provide the Department of Land and Natural Resources with an effective mechanism to restore, create, enhance, and preserve aquatic habitats and resources. Your Committee further finds that in-lieu fee mitigation involves a third party mitigation sponsor who accepts funds from permit applicants or responsible parties required to provide compensation in order to mitigate actual natural resource damage or prospective compensation. The sponsor then uses these funds to develop restoration projects. In-lieu fee sponsors are often public or private entities with experience, scientific expertise, and a vested long-term interest in natural resources conservation. Your Committee recognizes that this will enable the Department of Land and Natural Resources to improve state stewardship of aquatic public trust resources and habitats, increase accountability for damage to aquatic resources, and provide higher remediation to restore damaged resources.

Your Committee has amended this measure by making a technical nonsubstantive change to comport with standard drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 110, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 110, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 798 Ways and Means on S.B. No. 601

The purpose and intent of this measure is to support the King Kamehameha Commission in the performance of its statutory responsibilities.

More specifically, this measure:

- (1) Establishes the King Kamehameha Celebration Commission special fund and appropriates moneys to the fund for the purpose of paying expenses arising out of King Kamehameha Day celebration events;
- (2) Amends provisions relating to the membership and duties of the Commission; and
- (3) Requires the Commission to appoint an executive director.

Your Committee received written comments in support of this measure from the Democratic Party of Hawaii, Hawaiian Affairs Caucus, Miss Rodeo Hawaii Program, and five individuals.

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 Department of Budget and Finance.

Your Committee finds that that the King Kamehameha Celebration Commission is made up of dedicated volunteers who have a variety of statutory responsibilities, the most significant being the commemoration of King Kamehameha on King Kamehameha Day each June. In planning commemoration events, the Commission is often limited by a lack of funding and a lack of business and related experience among its membership. Your Committee believes that creating a special fund to help pay for commemoration events, expanding and raising standards for membership on the Commission, and appointing an executive director will help the Commission overcome the struggles that have limited its performance in the past.

To facilitate further discussion, your Committee has amended this measure by:

- (1) Changing the amount of the appropriation for fiscal year 2017-2018 for deposit into the King Kamehameha Celebration Commission special fund from \$200,000 to an unspecified sum; and
- (2) Changing the amount of the appropriation from the King Kamehameha Celebration Commission special fund for fiscal years 2017-2018 and 2018-2019, respectively, from \$100,000 to an unspecified sum;
- (3) Changing the effective date to March 9, 2092.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 601, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 601, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 799 Ways and Means on S.B. No. 612

The purpose and intent of this measure is to assist the State's livestock and aquaculture industries by reducing the cost of feed.

More specifically, the measure:

- (1) Makes a housekeeping amendment to harmonize a qualified feed developer grant program requirement with a qualified producer grant program requirement;
- (2) Appropriates funds to reimburse qualified producers of certain products for their feed costs; and
- (3) Appropriates funds to reimburse qualified feed developers for their feed development costs.

Your Committee received written comments in support of this measure from the Department of Agriculture, Ulupono Initiative, Hawaii Farm Bureau, Hawaii Cattlemen's Council, Meadow Gold Dairies, Hawaii Farmers and Ranchers United, and thirty-eight individuals.

Written comments in opposition were received from one individual.

Your Committee finds that feed costs are identified as the single most expensive component of animal agriculture operations. Hawaii's lack of local feed mills means that the livestock and aquaculture industries must use imported animal feed. Continued reliance on imported feed is untenable, due to ever-changing market forces and rising shipping costs. In contrast, the State has the potential to develop and produce feedstock locally, and feed development projects are underway. The Hawaii Department of Agriculture has initiated a feed development process to identify, assess, and validate available local feed ingredients. Your Committee finds that the feed subsidy provided by this measure to qualified producers of certain products and qualified feed developers will support the Department's efforts and promote the long-term viability of the State's livestock and aquaculture industries.

Your Committee has amended this measure by:

- (1) Extending the appropriation to include both fiscal year 2017-2018 and fiscal year 2018-2019;
- (2) Changing the appropriation amounts to unspecified amounts; and
- (3) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure.

Your Committee notes that the measure previously contained a general fund appropriation of \$2,000,000 in fiscal year 2017-2018 for the Department of Agriculture's livestock revitalization program. Of this amount, \$1,000,000 was to be allocated to reimburse qualified producers of milk, pork, eggs, poultry, beef, sheep, lamb, goats, and seafood for their feed costs; the remaining \$1,000,000 was to be allocated to reimburse qualified feed developers for their feed development 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. 612, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 612, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 800 Ways and Means on S.B. No. 698

The purpose and intent of this measure is to improve the regulation of agricultural lands.

More specifically, the measure:

- (1) Requires an owner or occupier of certain agricultural lands that are subdivided or leased to provide written notice to certain county agencies of the agricultural uses or activities for which the lands were subdivided and leased, together with a subdivision or lease map; and
- (2) Grants state and county agencies authority to enter subdivided and leased agricultural lands to investigate for violations of and compliance with agricultural subdivision and lease qualifications.

Your Committee received written comments in support of this measure from the Department of Agriculture, the Department of Planning and Permitting of the City and County of Honolulu, the Hawaii Cattlemens Council, and Ponoholo Ranch Limited.

Your Committee finds that enforcement of agricultural subdivision and lease qualifications and agricultural building permit exemptions are challenging for state and county agencies and land use violations continue to occur. For example, a county planning agency having enforcement duties lacks authority to enter private property to investigate compliance of agricultural buildings with exemptions from building permit requirements and building codes.

Your Committee further finds that this measure provides appropriate agencies with additional tools to investigate certain agricultural land subdivision activities and permits those agencies to enter affected properties to inspect for compliance.

Your Committee has amended this measure by specifying that an agency that provides reasonable notice, but is refused entry to certain agricultural lands to inspect for violations, may apply to the district court for a warrant commanding police to provide assistance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 698, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 698, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Inouye). Noes, none. Excused, 4 (Dela Cruz, English, Kahele, Taniguchi).

SCRep. 801 Ways and Means on S.B. No. 723

The purpose and intent of this measure is to respond to workforce needs in Hawaii.

Specifically, the measure:

- (1) Specifies that one purpose of the University of Hawaii community colleges is to provide occupational training and certification programs designed to rapidly qualify individuals to fill new and hard-to-fill positions; and
- (2) Appropriates funds to the University of Hawaii for occupational training and certification programs designed to rapidly qualify persons to fill new and hard-to-fill classes of non-professional positions.

Your Committee received written comments in support of this measure from the University of Hawaii System.

Your Committee finds that it is a core function of the University of Hawaii Community Colleges to provide short-term, rapid response training to meet the continually changing requirements of the State's economy. Your Committee further finds that codification of this responsibility into statute will provide formal recognition of this very important responsibility.

As received by your Committee, this measure included an appropriation of \$250,000 from the general revenues of the State. Your Committee respectfully requests that, as this measure continues to move through the Legislature, future Committees consider whether federal funds or other sources of funding can be substituted in place of general funds.

Your Committee has amended this measure by changing the appropriation amount from \$250,000 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 S.B. No. 723, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 723, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 802 Ways and Means on S.B. No. 808

The purpose and intent of this measure is to appropriate moneys for the operational expenses and staffing costs of the Hawaii Association of Conservation Districts.

Your Committee received written comments in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Hawaii Association of Conservation Districts, Hawaii Farm Bureau, Hawaii Cattlemen's Council, Inc., Ponoholo Ranch Limited, Local Food Coalition, Maui County Farm Bureau, Larry Jeffs Farms, LLC, Hawaii Aquaculture and Aquaponics Association, Kauai County Farm Bureau, Hawaii Fish Company, and eighteen individuals.

Your Committee received written comments on this measure from the Hawaii Government Employees Association.

Your Committee finds that the Hawaii Association of Conservation Districts comprises sixteen districts representing every community on all major islands of Hawaii. Water and soil conservation districts are responsible for a variety of environmental protection and education efforts across the State. Additionally, water and soil conservation districts assist with reviewing each county's grading permits and conservation plans.

Your Committee further finds that the funding shortages and high volume of work faced by the Hawaii Association of Conservation Districts result in negative impacts to the State's agriculture and environment. Your Committee believes that the appropriation in this

measure will help ensure that the Hawaii Association of Conservation Districts is able to keep pace with the critical demand for its services.

Your Committee has amended this measure by:

- (1) Changing the appropriation for fiscal years 2017-2018 and 2018-2019, respectively, from \$450,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2099, 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. 808, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 808, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 803 Ways and Means on S.B. No. 803

The purpose and intent of this measure is to promote food safety.

More specifically, this measure:

- (1) Establishes an income tax credit to assist farmers with expenses associated with compliance with the federal Food Safety Modernization Act; and
- (2) Establishes the Food Safety Modernization Act special fund.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Cattlemen's Council, Hawaii Crop Improvement Association, Hawaii Farm Bureau, Hawaii Farmers and Ranchers United, Hawaii Food Manufacturers Association, Hydroponics Alternatives LLC, Maui Chamber of Commerce, Ulupono Initiative, and three individuals.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the federal Food and Drug Administration has formalized stricter food safety regulations for agriculture under the recently passed Food Safety Modernization Act. Your Committee also finds that these new standards include provisions that will be burdensome and expensive for many of Hawaii's farmers. Your Committee believes that this measure will support Hawaii's agricultural industry by assisting farmers and ranchers to comply with federal food safety requirements.

Your Committee has amended this measure by:

- (1) Codifying the special fund in chapter 141, Hawaii Revised Statutes, which pertains to the Department of Agriculture, rather than chapter 235, Hawaii Revised Statutes, which pertains to the state income tax law;
- (2) Authorizing the Department of Agriculture to adopt rules under chapter 91, Hawaii Revised Statutes, related to its certification authority regarding the tax credit;
- (3) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

If subsequent committees choose to deliberate this measure further, your Committee recommends that they discuss whether the tax credit established by this measure should be refundable or nonrefundable, given the difficult fiscal climate. In this regard, your Committee appreciates that the measure places a \$2,000,000 aggregate cap on the amount of tax credits that may be authorized in a taxable year.

Your Committee also recommends that subsequent committees engage in discussions with the Department of Agriculture regarding the amount of general fund appropriations and additional personnel that would be necessary for the department to fulfill its certification responsibilities under the new tax credit. Your Committee notes that the Department of Agriculture has similar certification responsibilities for the important agricultural land qualified agricultural cost tax credit and the organic foods production tax credit, codified respectively as sections 235-110.93 and 235-110.94, 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. 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, 8. Noes, none. Excused, 3 (Dela Cruz, Taniguchi, Wakai).

SCRep. 804 Ways and Means on S.B. No. 1082

The purpose and intent of this measure is to support the Hawaii Community College Agriculture Program.

More specifically, this measure:

- (1) Appropriates funds for the 2017-2019 fiscal biennium for the hiring of a farm coordinator to support the instructional activities of Hawaii Community College at the University of Hawaii at Hilo's agricultural farm; and
- (2) Appropriates funds for fiscal year 2017-2018 for equipment for the Hawaii Community College Agriculture Program.

Your Committee received written comments in support of this measure from the Department of Agriculture, the University of Hawaii System, Hawaii Cattlemen's Council, Hawaii Farm Bureau, and two individuals.

Your Committee finds that the Hawaii Community College Agriculture Program prepares students for employment in government service, agribusiness, horticulture, livestock, flowers and foliage, landscaping, macadamia nuts, papaya, and coffee industries. Your Committee further finds that student interest in the Hawaii Community College Agriculture Program has grown in recent years, with the program averaging around thirty majors each year. Your Committee recognizes that the program is unable to meet current demand and that additional funding for personnel and equipment is needed to help the program satisfy the demand.

Your Committee has amended this measure by:

- (1) Changing the amounts appropriated in fiscal years 2017-2018 and 2018-2019 for the hiring of a farm coordinator from \$43,000 respectively for each year to unspecified amounts;
- (2) Making a correction to clarify that Hawaii Community College is the expending agency for the appropriation to hire a farm coordinator;
- (3) Changing the amount appropriated in fiscal year 2017-2018 for equipment from \$165,600 to an unspecified amount; and
- (4) Changing the effective date to March 9, 2092, 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. 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, 11. Noes, none. Excused, none.

SCRep. 805 Ways and Means on S.B. No. 1288

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist HPC Foods, Ltd., as an agricultural enterprise.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Food Manufacturers Association, Hawaii Farm Bureau, and Chamber of Commerce Hawaii.

Your Committee received written comments on this measure from the Department of Budget and Finance and the Department of the Attorney General.

Your Committee finds that the proceeds from the sale of special purpose revenue bonds will be used by HPC Foods, Ltd., one of Hawaii's largest produce processors and distributors, for multi-purpose capital improvement programs. Your Committee believes that it is more appropriate to issue special purpose revenue bonds to assist HPC Foods, Ltd., as a processing enterprise, rather than as an agricultural enterprise. Your Committee finds that the issuance of these special purpose revenue bonds is in the public interest and will benefit the public health, safety, and general welfare.

Your Committee has amended this measure by:

- (1) Changing the category of special purpose revenue bonds to be issued under chapter 39A, Hawaii Revised Statutes, to assist HPC Foods, Inc., as a processing enterprise pursuant to part IV of the chapter rather than an agricultural enterprise pursuant to part X of the chapter; and
- (2) Adding a list of specific purposes for which the proceeds from the sale of the special purpose revenue bonds will be used, including:
 - (A) Processing and packing warehouse facilities;
 - (B) Equipment for processing and packing;
 - (C) Refrigeration facilities; and
 - (D) Agricultural production including manufacturing and value-added 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. 1288, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1288, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 806 Ways and Means on S.B. No. 1294

The purpose and intent of this measure is to establish a program within the University of Hawaii System to target the recruitment and retention of Native Hawaiian, Pacific Islander, and first generation college students.

Specifically, this measure:

- (1) Establishes the Undergraduate Health Sciences Academy at the University of Hawaii;
- (2) Tasks the Academy with eliminating health disparities in Native Hawaiian, Pacific Islander, and underserved communities and promoting educational pathways in the health sciences fields;

- (3) Requires a curriculum for high school teachers and a health sciences educational pathway for high school students;
- (4) Requires the Academy to establish course work to prepare students and their families for college level studies in the health sciences;
- (5) Establishes Native Hawaiian principles to guide the Academy; and
- (6) Appropriates funds and establishes positions for the Academy.

Your Committee received written comments in support of this measure from the University of Hawaii System; the Native Hawaiian Health Task Force; Ho'omana Pono, LLC; University of Hawaii West Oahu Allied Health Faculty; Kamehameha Schools; and nineteen individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that Native Hawaiians are less likely to attend college than other ethnic groups due, in part, to low levels of high school preparation and inadequate finances. Your Committee further finds that the medical field is experiencing a health care worker shortage. Your Committee believes that establishing a program to encourage Native Hawaiians and other individuals to attend college and earn a degree in a health sciences field will help alleviate the shortage of health care workers and provide quality, well-paid jobs.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated for fiscal years 2017-2018 and 2018-2019, respectively, from \$2,080,404 to an unspecified amount;
- (2) Changing the number of positions authorized from twenty to an unspecified number; and
- (3) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure.

Your Committee acknowledges concerns that the contents of the measure potentially extend beyond the scope of its title, in violation of Article III, section 14, of the Constitution of the State of Hawaii. Your Committee requests that subsequent committees hearing this measure address this 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. 1294, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1294, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 807 Ways and Means on S.B. No. 195

The purpose and intent of this measure is to appropriate funds to the Hawaii Teacher Standards Board for two permanent specialist positions.

Your Committee received written comments in support of this measure from the Hawaii Teacher Standards Board, the Hawaii State Public Charter School Commission, the University of Hawaii System, and three individuals.

Your Committee finds that the two specialist positions, which are currently funded using special funds, support the day-to-day licensing functions of the Hawaii Teacher Standards Board, working directly with approximately twelve thousand teacher applicants and licensees in all Hawaii public schools. Your Committee further finds that increases in salaries and benefits for personnel costs have exceeded the Board's special fund revenues, causing hardship for the Board and complicating its mission to set high teacher licensing and credentialing standards.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount from \$283,100 to an unspecified sum; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee notes that it is considering including this appropriation within the General Appropriations Act of 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 195, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 195, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 808 Ways and Means on S.B. No. 687

The purpose and intent of this measure is to promote early learning in the State.

More specifically, this measure:

- (1) Broadens the scope of the State's early learning program to include early childhood development; and
- (2) Expands the function and powers of the Early Learning Advisory Board, including appointment and evaluation of the director of the Executive Office on Early Learning.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, Early Learning Advisory Board, Hawaii Children's Action Network, and Kamehameha Schools.

Your Committee finds that early learning programs are essential to prepare children for entry into kindergarten. The Executive Office on Early Learning was created, in part, to ensure a spectrum of high-quality early learning opportunities for children throughout the State. The Early Learning Advisory Board was established in 2012 to serve in an advisory role for the Executive Office on Early Learning. Your Committee believes that expanding the powers and functions of the Early Learning Advisory Board will help provide the authority necessary to oversee the Executive Office on Early Learning and ensure the development and implementation of state policies regarding early learning programs.

Your Committee has amended this measure by:

- (1) Changing references of "early childhood education" to "early learning" in relevant sections of the Hawaii Revised Statutes; and
- (2) Making technical nonsubstantive changes for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 687, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 687, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 809 Ways and Means on S.B. No. 719

The purpose and intent of this measure is to establish a strategy to adequately maintain the State's buildings, facilities, and other improvements.

Specifically, the measure addresses the State's deferred maintenance backlog by:

- (1) Requiring the Governor to:
 - (A) Prepare a deferred maintenance plan to gradually eliminate the deferred maintenance costs of state-owned buildings, facilities, and other improvements; and
 - (B) Submit an initial plan to the Legislature for the fiscal biennium 2019-2021 and prepare annual updates thereafter; and
- (2) Imposing the same requirements on the Chief Justice for buildings, facilities, and other improvements owned by the Judiciary.

Your Committee received comments on this measure from the Department of Accounting and General Services and the Department of Budget and Finance.

Your Committee finds that the State's estimated deferred maintenance costs total \$3.1 billion, based on each department's estimated deferred maintenance costs for facilities statewide, as itemized in appendix 5 of the Multi-year Program and Financial Plan. Given this significant backlog, a deferred maintenance plan is essential to ensure the backlog is addressed in a timely, cost-effective, and transparent manner.

Your Committee has amended this measure by:

- (1) Changing the appropriation to the Office of the Governor from \$100,000 to an unspecified sum;
- (2) Changing the appropriation to the Judiciary from \$50,000 to an unspecified sum; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 719, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 719, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 810 Ways and Means on S.B. No. 1221

The purpose and intent of this measure is to ensure the continued viability of the State's sea salt manufacturing industry by appropriating funds for the Department of Business, Economic Development, and Tourism to address the Food and Drug Administration's industry guidance on the use of color additives in sea salt products.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Chamber of Commerce Hawaii; and Hawaii Food Manufacturers Association.

Your Committee finds that Hawaii-made sea salt products are a well-known product both here in Hawaii and around the world. Your Committee also finds that recent guidelines from the Food and Drug Administration regarding red and black Hawaiian sea salts have caused large financial stress on the industry due to the cost of testing that is required to meet the guidelines. Your Committee further finds that the Department of Business, Economic Development, and Tourism's assistance will relieve local small businesses from bearing the burden of these costs and allow them to continue to focus on growing their business.

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. 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, 10; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Dela Cruz).

SCRep. 811 Ways and Means on S.B. No. 352

The purpose and intent of this measure is to appropriate funds to supplement the agricultural loan revolving fund and to appropriate moneys out of the revolving fund.

Specifically this measure:

- (1) Appropriates \$5,000,000 out of the general revenues of the State for fiscal year 2017-2018 to be deposited into the agricultural loan revolving fund established under section 155-14, Hawaii Revised Statutes; and
- (2) Appropriates \$5,000,000 out of the agricultural loan revolving fund for fiscal year 2017-2018 for loans in accordance with section 155-14, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Agriculture, Ulupono Initiative, Hawaii Farm Bureau, and Hawaii Cattlemen's Council.

Your Committee finds that the Department of Agriculture's agricultural loan program was established to assist farmers in starting new or expanding existing farm operations. However, the program lacks sufficient capital to fully implement its goals and objectives. Your Committee finds that additional funding is necessary to support the agricultural loan program and help the State progress toward its food production and sustainability goals.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated out of the general revenues of the State for fiscal year 2017-2018 to be deposited into the agricultural loan revolving fund from \$5,000,000 to an unspecified amount;
- (2) Changing the amount appropriated out of the agricultural loan revolving fund from \$5,000,000 to an unspecified amount; and
- (3) Changing the effective date to March 9, 2022, to facilitate further discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 352, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 352, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 812 Ways and Means on S.B. No. 778

The purpose and intent of this measure is to appropriate funds to implement the findings and recommendations of the *Pesticide Use by Large Agribusinesses on Kaua'i* report.

Your Committee received written comments in support of this measure from IMUAlliance, Hawaii Alliance for Progressive Action, Hawaii Center for Food Safety, GMO Free Kauai, Shaka Movement, Ka Lahui Hawaii Political Action Committee, and eighty-six individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Crop Improvement Association, Ponoholo Ranch Limited, Hawaii Farm Bureau, Hawaii Cattlemen's Council, CropLife America, and two individuals.

Your Committee received written comments on this measure from the Department of Agriculture and the Western Plant Health Association.

Your Committee finds that in 2013, the County of Kauai passed Ordinance No. 960 relating to pesticides and genetically modified organisms. The ordinance contained a provision to create a Joint Fact Finding Group to help address key environmental and public health questions related to large-scale commercial agriculture entities that use pesticides and genetically modified organisms on the island of Kauai. In 2014, the ordinance was overturned in federal court, which prompted the Department of Agriculture and the Kauai County Office of the Mayor to contract an independent public policy group, The ACCORD 3.0 Network, to facilitate the Joint Fact Finding Group project. The group was charged with gathering accurate information on the lands used by seed companies and Kauai Coffee, their pesticide usage, and evidence of any possible adverse health and environmental impacts.

Your Committee further finds that on May 25, 2016, the study group issued its findings in a report titled *Pesticide Use by Large Agribusinesses on Kaua'i*. The study group arrived at the following conclusions regarding health and environmental impacts on the west side of Kauai:

- (1) The Kauai health data examined is very limited and does not show a causal relationship between the pesticides used by the seed companies and health problems found on the west side or any other part of Kauai; and
- (2) There needs to be additional data gathering going forward to continue to demonstrate the impacts of agricultural pesticide use.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated in fiscal year 2017-2018 and fiscal year 2018-2019 from \$3,000,000 to an unspecified amount; and

- (2) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 778, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 778, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 813 Ways and Means on S.B. No. 1312

The purpose and intent of this measure is to establish a Board of Midwifery and to require certified midwives and certified professional midwives to be licensed by the board in order to practice midwifery.

Your Committee received written comments in support of this measure from Healthy Mothers Healthy Babies; Midwives Alliance of Hawaii; Kona Birth and Midwifery Services; Hawaii Affiliate of the ACNM; Breastfeeding Hawaii; and fourteen individuals.

Your Committee received written comments in opposition to this measure from The Queen's Health System; Hoopae Pono Peace Project; ACOG Hawaii Section; First Women's Council, LLC; Sacred Healing Arts; and ninety-six individuals.

Your Committee received written comments on this measure from the Auditor; the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs; Kapiolani Medical Center for Women and Children; Hawaii Holistic Midwifery; and five individuals.

Your Committee finds that the regulation of the midwifery profession is important to ensure that all persons who receive maternity and women's health services are provided safe and competent care.

Your Committee has amended this measure by:

- (1) Correcting the reference to "Midwifery Education and Accreditation Council" by changing it to "Midwifery Education Accreditation Council;"
- (2) Clarifying that the type of council that is convened pursuant to section 453-2(c), Hawaii Revised Statutes, is a "kupuna council";
- (3) Changing the licensing fee amount to an unspecified amount in order to encourage further discussion; and
- (4) Making technical nonsubstantive amendments to correct a spelling error and 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. 1312, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1312, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9; Ayes with Reservations (Kahele, Riviere, Shimabukuro). Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 814 (Majority) Ways and Means on S.B. No. 382

The purpose and intent of this measure is to update the structure and operation of the Public Utilities Commission (Commission).

More specifically, this measure:

- (1) Establishes guiding principles of the Commission;
- (2) Requires the Commission to establish a docket review and decision-making process that encourages collaboration;
- (3) Allows a Commissioner to attend a public hearing or meeting, or to work with staff, by teleconference or videoconference in specific situations;
- (4) Requires the Executive Officer, Chief Counsel, Chief of Policy and Research, and any individual employed as or in the role of a hearings officer of the Commission to annually file a disclosure of financial interests with the State Ethics Commission and requires these disclosures to be public;
- (5) Increases the number of members on the Commission, specifies the composition of Commission members, and ensures that members who are residents of a county other than the City and County of Honolulu receive per diem compensation and travel expenses;
- (6) Requires new Commissioners to attend pertinent educational or training seminars within the first year of the Commissioner's appointment and permits Commissioners and key staff to take advantage of relevant training opportunities;
- (7) Clarifies the ability of the Commissioners to appoint and employ staff;
- (8) Clarifies the roles of the Executive Officer and Chief Counsel to the Commission;
- (9) Requires the Commissioners to work with the Department of Commerce and Consumer Affairs and Department of Human Resources Development to develop clearly defined duties and responsibilities for Commission staff and report the staff duties to the Legislature; and
- (10) Requires a management audit to aid in the Commission's transition to a better functioning entity.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association and one individual.

Your Committee received written comments in opposition to this measure from the Public Utilities Commission.

Your Committee received written comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Office of the Auditor.

Your Committee notes that this measure is a work in progress. Your Committee encourages all parties involved to continue to work together in order to resolve the issues of the measure.

Your Committee has amended this measure by changing the effective date of the provisions that amend the composition of the Commission members and provide per diem compensation and travel expenses to members who reside in a county other than the City and County of Honolulu, 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. 382, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 382, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Riviere). Noes, 1 (Harimoto). Excused, 4 (Dela Cruz, Inouye, Taniguchi, Wakai).

SCRep. 815 Ways and Means on S.B. No. 391

The purpose and intent of this measure is to clarify the condominium laws relating to unpaid or contested fines, fees, and assessments; grievance procedures; defaults; and nonjudicial foreclosures.

Your Committee received written comments in support of this measure from Associa and two individuals. Your Committee received written comments on this measure from Hui 'Oia'i'o.

Your Committee finds that this measure will bring much-needed clarity and fairness to the condominium laws for both owners and the associations.

Your Committee has amended this measure by:

- (1) Conforming provisions relating to defaults;
- (2) Clarifying that unpaid association fines imposed while the payment plan is in effect do not constitute a default under the payment plan;
- (3) Streamlining and conforming the provisions relating to the written statement of an apartment or unit owner's rights, the owner's duty to pay common expense assessments, and the grievance procedure for an owner who contests all fees except common expenses; and
- (4) Replacing the term "legal fees" with "attorneys' fees and 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. 391, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 391, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, English, Kahele, Taniguchi).

SCRep. 816 Ways and Means on S.B. No. 347

The purpose and intent of this measure is to appropriate funds for the establishment, staffing, and operation of two mobile clinics to serve the homeless population.

Your Committee received written comments in support of this measure from The Queen's Health Systems, Hawaii Pacific Health, and Hawaii Youth Services Network.

The Governor's Coordinator on Homelessness, Department of Human Services, and Hawaii Psychological Association submitted written comments on the measure.

Your Committee finds that many health care providers treat and provide other care to the vulnerable and underserved homeless population, often on an emergency basis. Mobile clinics would be able to provide timely non-emergency medical care to homeless individuals in the community. By making basic preventative and primary healthcare services more accessible on a mobile outreach basis, the State could assist with mitigating many homeless individuals' illnesses before they become severe, and thus reduce the high demand for emergency medical services to treat non-emergency conditions.

Your Committee further finds that approximately two-thirds of Hawaii's homeless population relies on the State's MedQuest program to pay for health care services. Thus, mobile clinics that reduce health care costs would also help to reduce the State's financial burden.

Your Committee notes that the measure as received appropriated \$1,400,000 in general funds for each of fiscal years 2017-2018 and 2018-2019. Your Committee also notes that the Department of Health is considering developing a community paramedic program similar to the program discontinued by the City and County of Honolulu's Emergency Medical Services Division in 2013. Your Committee believes that the development of a similar program is a worthy endeavor and respectfully requests that it be given consideration as this measure moves through the legislative process, either by the appropriate subject matter committee or by inclusion in the General Appropriations Act of 2017.

Your Committee has amended this measure by:

- (1) Making technical nonsubstantive changes to section 1 of the measure for purposes of clarity;
- (2) Changing the appropriation from \$1,400,000 to an unspecified amount; 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. 347, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 347, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 817 Ways and Means on S.B. No. 530

The purpose and intent of this measure is to support the Office of the Long-Term Care Ombudsman Program.

More specifically, this measure appropriates moneys to be expended by the Executive Office on Aging to:

- (1) Establish one full-time equivalent permanent program specialist IV position on the island of Oahu to support program goals and federal requirements; and
- (2) Provide funding for contracted services through the Office of the Long-Term Care Ombudsman in the counties of Hawaii, Kauai, and Maui.

Your Committee received written comments in support of this measure from the Office of the Long-Term Care Ombudsman Program, AARP Hawaii, ILWU Local 142, and ten individuals.

Your Committee received written comments on this measure from the Executive Office on Aging.

Your Committee finds that the Office of the Long-Term Care Ombudsman Program is a federally and state mandated program that lacks sufficient resources to fulfill its responsibility to protect the 12,340 long-term care residents in Hawaii. Your Committee recognizes that Hawaii is the only state in the country with a long-term care ombudsman program that has a staff of one. Your Committee finds that according to a 1995 recommendation by the Institute of Medicine, Hawaii should have a minimum of six full-time long-term ombudsmen.

Your Committee finds that the responsibilities and logistics of the Long-Term Care Ombudsman Program have become increasingly challenging because today's long-term care residents live in various types of facilities, whereas, historically, most long-term care residents lived in nursing homes. Furthermore, while the program certifies and utilizes volunteers, recruiting and retaining volunteers consumes considerable resources, and your Committee recognizes that volunteers cannot function as an adequate substitute for full-time, highly trained staff. Your Committee believes that the moneys appropriated by this measure will help ensure that long-term care residents receive timely and regular access to program services.

Your Committee notes that it intends to consider including this measure's appropriation in the General Appropriations Act of 2017.

Your Committee has amended this measure by:

- (1) Changing the general fund appropriation for fiscal years 2017-2018 and 2018-2019 from \$150,000 to an unspecified amount;
- (2) Changing the specific appropriations for:
 - (A) The City and County of Honolulu from \$75,000 to an unspecified amount;
 - (B) The County of Hawaii from \$25,000 to an unspecified amount;
 - (C) The County of Kauai from \$25,000 to an unspecified amount; and
 - (D) The County of Maui from \$25,000 to an unspecified amount; 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. 530, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 530, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 818 Ways and Means on S.B. No. 397

The purpose and intent of this measure is to extend the hospital sustainability program for two years.

This measure also:

- (1) Amends the definition of "net patient service revenue" by specifying the data to be used in calculating net patient service revenue;
- (2) Clarifies the exemption from the hospital sustainability fee for outpatient services and authorizes the Department of Human Services to exempt any facility as needed to meet federal standards; and
- (3) Appropriate funds out of the hospital sustainability program special fund for fiscal biennium 2017-2019 for purposes consistent with the special fund.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, the East Hawaii Region of the Hawaii Health Systems Corporation, the Department of Human Services, The Queen's Health Systems, Healthcare Association of Hawaii, and the Chamber of Commerce Hawaii.

Your Committee finds that the hospital sustainability fee program has successfully leveraged federal funds to increase hospital reimbursements from the MedQUEST programs, stemmed losses to hospitals in the community, and helped maintain access to care for medicaid recipients.

Your Committee has made a technical nonsubstantive amendment to correct the quoted text of Act 217, Session Laws of Hawaii 2012, in sections 5 and 6 of the measure, to reflect the printed version of the Session Laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 397, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 397, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Galuteria, Harimoto, Inouye, Kahele).

SCRep. 819 Ways and Means on S.B. No. 285

The purpose and intent of this measure is to extend the nursing facility sustainability program for two years until December 31, 2019.

This measure also appropriates funds from the nursing facility sustainability program special fund for uses consistent with the special fund for the fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, the Department of Human Services, Healthcare Association of Hawaii, The Queen's Health Systems, and the Chamber of Commerce of Hawaii.

Your Committee finds that the nursing facility sustainability program has successfully leveraged federal funds to increase the level of nursing facility reimbursements from the MedQUEST programs to nursing facilities, and helped maintain access to care for medicaid recipients.

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. 285, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 285, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Galuteria, Harimoto, Inouye, Kahele).

SCRep. 820 Ways and Means on S.B. No. 404

The purpose and intent of this measure is to amend the cigarette tax and tobacco tax law.

More specifically, this measure:

- (1) Requires retailers engaged in the retail sale of cigarettes, tobacco products, electronic smoking devices, or e-liquid to obtain a retail tobacco permit;
- (2) Increases the license fee for wholesalers or dealers of cigarettes, tobacco products, electronic smoking devices, and e-liquid;
- (3) Increases the retail tobacco permit fee for retailers of cigarettes, tobacco products, electronic smoking devices, and e-liquid;
- (4) Requires that license and permit fees collected be used to cover administrative expenses, merchant education, legal signage, and the enforcement of tobacco sales laws; and
- (5) Imposes an excise tax on electronic smoking devices and e-liquid sold by a wholesaler or dealer on and after January 1, 2018.

Your Committee received written comments in support of this measure from the Department of Health, American Heart Association, Hawaii Children's Action Network, Hawaii Public Health Institute, and forty-three individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Smokers Alliance and seventeen individuals.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that chapter 245, Hawaii Revised Statutes, imposes excise taxes on businesses engaged in the sale of cigarettes and tobacco products. Your Committee also finds that the electronic smoking industry is growing rapidly. However, businesses engaged in the sale of electronic smoking devices and e-liquid are not currently taxed under the cigarette tax and tobacco tax law. Your Committee further finds that this measure treats the sale of electronic smoking devices and e-liquid in a manner similar to the sale of cigarettes and tobacco products and will result in better regulation of the electronic smoking industry.

Your Committee has amended this measure by:

- (1) Amending the definition of "retail tobacco permit" to include the sale of electronic smoking devices and e-liquid;

- (2) Deleting provisions requiring that license and permit fees collected under the cigarette tax and tobacco tax law be used for specific purposes; 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. 404, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 404, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 821 Ways and Means on S.B. No. 912

The purpose and intent of this measure is to modernize the Hawaii Housing Finance and Development Corporation's downpayment loan program and to establish a downpayment loan loss reserve program to assist low and moderate income households to become first-time homebuyers.

Your Committee received written comments 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 Committee finds that homeownership creates strong communities through economic growth. Your Committee also finds that one of the major barriers to homeownership is the potential buyer's lack of a downpayment. The Hawaii Housing Finance and Development Corporation's downpayment loan program was established in 1995 to assist eligible first-time homebuyers with downpayment loans. However, your Committee further finds that this program has not realized its full potential due to funding and outdated programmatic constraints. Your Committee believes this measure will increase access to homeownership by authorizing downpayment loans to first-time homebuyers.

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. 912, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 912, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 822 Ways and Means on S.B. No. 535

The purpose and intent of this measure is to require health insurers in the State to provide a minimum benefit of \$1,500 for a reasonably medically necessary hearing aid per hearing-impaired ear every thirty-six months.

The Disability and Communication Access Board; The Georgia E. Morikawa Center; Isle Interpret, LLC; National Active and Retired Federal Employees; and three individuals submitted written comments in support of the measure.

The Insurance Division of the Department of Commerce and Consumer Affairs; the Hawaii Employer-Union Health Benefits Trust Fund; Hawaii Medical Service Association; and Kaiser Permanente Hawaii submitted written comments on the measure.

Your Committee finds that, according to the National Institutes of Health, about one-third of Americans between the ages of sixty-five and seventy-five and about one-half of those older than seventy-five have some degree of hearing loss. Your Committee also finds that approximately three to four out of every one thousand children born in Hawaii are identified as having permanent hearing loss.

Your Committee acknowledges that Hawaii's Medicaid managed care plans cover hearing aid evaluation, selection, purchase, and fitting every three years, and subsequent hearing aid checks, hearing testing, ear molds, repairs, and batteries. However, current federal Medicare insurance plans for the elderly only cover hearing testing and do not cover hearing aid purchases and related services. Therefore, your Committee believes it is appropriate to require health insurance coverage for hearing aids for individuals with all types of hearing loss and to specify a minimum amount of coverage and frequency for replacement of hearing aids under the coverage.

Your Committee has amended this measure by changing its effective date to June 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 535, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 535, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (Dela Cruz, Inouye, Kahele, Shimabukuro, Taniguchi).

SCRep. 823 Commerce, Consumer Protection, and Health on S.B. No. 224

The purpose and intent of this measure is to:

- (1) Establish licensure and registration requirements for school psychologists, to be administered by the Board of Psychology; and
- (2) Amend the composition of the Board of Psychology to include two school psychologists.

Your Committee received testimony in support of this measure from the Hawai'i Association of School Psychologists, Hawaii Children's Action Network, and one individual. Your Committee received comments on this measure from the Department of Education, Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Board of Psychology, and Hawai'i Psychological Association.

Your Committee finds that school psychologists are uniquely qualified members of school teams who support students' ability to learn and teachers' ability to teach. School psychologists apply expertise in mental health, learning, and behavior to help children and youth succeed academically, socially, behaviorally, and emotionally. Your Committee further finds that existing law requires anyone engaged in the practice of psychology to meet specific education and training requirements and be licensed. However, school psychologists are currently exempt from licensure requirements when practicing in an educational setting.

Your Committee notes that Hawaii is the only state in the country that does not require licensing of school psychologists. Your Committee additionally finds that the exemption from licensure for school psychologists has allowed individuals who do not have graduate-level training in school psychology, or who do not meet the nationally accepted certification standard, to practice psychology within educational settings. Without appropriate licensing, the State cannot ensure that school psychologists are properly qualified and delivering appropriate services.

Your Committee also finds that school psychologists receive additional and extensive training in cognitive, academic, social and emotional, behavioral, and adaptive assessment practices. When unqualified or inadequately trained persons provide these services, students are not being fairly assessed, which can result in inaccurate results. Licensing school psychologists will ensure the delivery of quality service to students and the community. Furthermore, your Committee notes that school psychologists have the experience and training to provide applied behavior analysis, but without proper credentials, they are not yet able to deliver these services in a school setting.

Because Hawaii lags behind every other state in the country regarding the licensure of school psychologists, your Committee is not convinced that a sunrise review is necessary or appropriate. Rather, your Committee finds that it is in the best interest of consumers and the State to subject school psychologists and the practice of school psychology to regulation and control, which will protect the public from the unqualified practice of school psychology and from unprofessional conduct by persons licensed to practice school psychology.

Your Committee has amended this measure by:

- (1) Specifying the legislative findings and declaration of necessity for the licensing of school psychologists;
- (2) Clarifying the definition of "school psychologist";
- (3) Specifying that notwithstanding any other law, school psychologists in the State shall be licensed and regulated by the Board of Psychology;
- (4) Clarifying that an applicant for licensure as a school psychologist must have a specialist-level degree or doctoral degree in school psychology within an accredited educational institution comprising a minimum of sixty semester hours consistent with the National Association of School Psychologists' standards for graduate preparation of school psychologists;
- (5) Requiring applicants for licensure and licensure renewal to pay an unspecified license fee and compliance resolution fund fee;
- (6) Clarifying that school psychologist licenses shall be valid for two years;
- (7) Requiring school psychologists to meet continuing education requirements of an unspecified number of credit hours, as provided in Board rules;
- (8) Specifying that services delivered by a school psychologist are articulated under the National Association for School Psychologists' Model for Comprehensive and Integrated School Psychological Services, which represents the official policy regarding the delivery of school psychological services and the ethical standards developed and published by the National Association of School Psychologists;
- (9) Specifying that beginning on July 1, 2019, persons must have a license to practice school psychology in Hawaii;
- (10) Clarifying titles that may be used by school psychologists and students in an accredited school psychology program and deleting the requirement for biennial registration of name and business address;
- (11) Clarifying that the fine for violating the licensure requirements for school psychologists and the practice of school psychology shall be no more than \$1,000 for each separate offense;
- (12) Specifying the grounds for refusal to renew, reinstate, or restore a license and for denial, revocation, suspension, or condition of a license;
- (13) Specifying that the fines for violating certain acts or conditions on the part of a licensee or licensee applicant may be no less than \$100 and no more than \$1,000;
- (14) Removing school psychologists from those persons exempt from the licensing requirements of chapter 465, Hawaii Revised Statutes;
- (15) Specifying that the regulatory system for school psychologists established by this measure shall be repealed on June 30, 2025;
- (16) Inserting a severability clause;
- (17) Inserting an effective date of July 1, 2050, to encourage further discussion; and

(18) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 224, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 224, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ruderman).

SCRep. 824 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 429

The purpose and intent of this measure is to adopt uniform laws to protect the online accounts of employees and students from employers and educational institutions, respectively.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Hawai'i Commission to Promote Uniform Legislation, and Hawai'i Civil Rights Commission. Your Committees received comments on this measure from the American Civil Liberties Union of Hawaii and Internet Coalition.

Your Committees find that privacy is a growing concern as social media use rises and employers increasingly ask current and prospective employees to grant the employer access to social media accounts. Likewise, many educational institutions seek to examine the social media presence of current and prospective students. Your Committees further find that in recent years there have been a number of reported incidents in which employers and schools have demanded, and received, such access.

Your Committees find that the Uniform Employee and Student Online Privacy Protection Act, completed by the Uniform Law Commission in 2016, addresses employers' access to employees' or prospective employees' social media and other online accounts accessed via username and password or other credentials of authentication as well as post-secondary educational institutions' access to students' or prospective students' similar online accounts. Your Committees received testimony expressing concern that the Uniform Employee and Student Online Privacy Protection Act only covers students at the postsecondary level and allows employers or educational institutions to view the entire content of an employee's or student's personal online account based solely on a general allegation of misconduct.

Your Committees have amended this measure by:

- (1) Inserting language from the Personal Online Account Privacy Act to make this measure more comprehensive by covering more Hawaii students and creating stronger safeguards against abuse. More specifically, this measure has been amended by:
 - (A) Adding a definition of the term "applicant";
 - (B) Amending the definition of "educational institution" to include a private or public school, institution, or school district, or any subdivision thereof, that offers participants, students, or trainees an organized course of study or training, as well as school employees and agents acting under the authority of an educational institution or a state or local educational agency authorized to direct or control an educational institution;
 - (C) Amending the definitions of "employee" and "employer" to no longer include prospective employees or unpaid interns working in exchange for academic credit or occupational experience;
 - (D) Amending the definition of "student" to no longer include a parent or legal guardian of a student under the age of majority and inserting a definition for the term "prospective student";
 - (E) Replacing the defined term "content" with the term "specifically identified content" and amending the definition;
 - (F) Replacing the defined term "protected personal online account" with the term "personal online account" and amending the definition to mean any online account maintained by an employee or student, including social media or electronic mail accounts, that is protected by a login requirement, but not including an account opened at an employer's or educational institution's behest or provided by an employer or educational institution and intended to be used solely or primarily on behalf of the employer or educational institution;
 - (G) Deleting definitions and references to the terms "login requirement", "online", "person", and "login information" and replacing references to the term "login information" with references to the user name and password, password, or other means of authentication that provide access to a personal online account;
 - (H) Deleting the provisions that explicitly allow employers and educational institutions to request an employee or student to add the employer or educational institution to, or not remove the employer or educational institution from, the set of persons to which the employee or student grants access to the content of the personal online account and inserting language that prohibits employers and educational institutions from requiring or coercing an applicant, employee, student, or prospective student to add anyone to the list of contacts associated with a personal online account;
 - (I) Inserting provisions that prohibit employers and educational institutions from requiring, requesting, or coercing an employee, applicant, student, or prospective student to provide password or authentication information to a personal technological device or to turn over an unlocked personal technological device for the purpose of gaining access to a personal online account;
 - (J) Inserting provisions that prohibit employers from refusing to hire applicants, and educational institutions from refusing to admit prospective students, as a result of the applicants' or prospective students' refusal to disclose specified information or take specific action related to their personal online account;
 - (K) Inserting language that limits an employer's and educational institution's access to an employee's, applicant's, student's, or prospective student's personal online account to specifically identified content when accessing the information to

comply with legal and regulatory obligations, investigate allegations of misconduct, or investigate threats to safety or property;

- (L) Inserting provisions to allow employers to prohibit employees and applicants, and educational institutions to prohibit students and prospective students, from:
 - (i) Using a personal online account for business or educational institution purposes; and
 - (ii) Accessing or operating a personal online account during business or school hours or while on business or school property;
 - (M) Inserting language to establish that an employer is not liable for having an employee's or applicant's, and an educational institution is not liable for having a student's or prospective student's, user name and password, password, or other means of authentication that provides access to a personal online account if acquired inadvertently through the use of an otherwise lawful technology that monitors the employer's network or devices for network security or data confidentiality;
 - (N) Inserting language to clarify that an educational institution shall not require, coerce, or request a student or prospective student to access a personal online account in the presence of an educational institution employee or educational institution volunteer, including a coach, teacher, or school administrator; and
 - (O) Inserting language that makes any employee or agent of an educational institution who violates the provisions of the measure subject to disciplinary proceedings and punishment, and specifies that if conflict with a collective bargaining agreement arises, the collective bargaining agreement and established practices prevail except in certain circumstances;
- (2) Inserting a provision to clarify that the Uniform Employee and Student Online Privacy Protection Act does not affect employers' obligation to investigate complaints, allegations, or the occurrence of discriminatory practices prohibited under chapter 378, 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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 429, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 429, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ruderman).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 825 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on S.B. No. 1201

The purpose and intent of this measure is to facilitate the deployment of high-speed broadband infrastructure in Hawaii, including wireless facilities, by:

- (1) Establishing limits on the State's and counties' authority to prohibit, regulate, or charge for the co-location of small wireless facilities or small wireless facilities networks;
- (2) Specifying certain sites where small wireless facilities or small wireless facilities networks may be located, including conditions and maximum fees for location and co-location; and
- (3) Establishing an application process and rates for co-location.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; CTIA; Mobilitie; Sprint; and Verizon. Your Committees received testimony in opposition to this measure from the Office of the Mayor of the County of Hawai'i. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs, Office of Planning, Office of the Mayor of the City and County of Honolulu, Hawaiian Electric Companies, Hawaiian Telecom, and Charter Communications.

Your Committees find that broadband technology is now a critical part of infrastructure and that it is important to facilitate the deployment of high-speed broadband technology for the future global connectivity and economic viability of the State. Broadband technology is essential across multi-sector industries and provides for enhanced educational opportunities, expansion of telehealth capacity, strengthening safety and civil defense communications, increasing economic competitiveness, addressing consumer privileges, and providing tourism services.

Your Committees further find that the demand for access to wireless products and services in Hawaii is increasing rapidly. The number of wireless subscribers in the State has grown nearly sixteen percent since 2010, amounting to over 1,400,000 subscribers and 99.5 percent of residents in the State having access to mobile broadband service. Your Committees find that these demands from the wireless industry's customers require that wireless networks be updated and prepared for the next generation of wireless networks. Your Committees additionally find that this measure will support economic development and innovation in the State related to the increased demand for broadband connectivity.

Your Committees find that Act 151, Session Laws of Hawaii 2011, provides an exemption for the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology from state and county permitting requirements, under certain circumstances. However, since Act 151 was enacted, broadband technology has advanced substantially, and wireless and wire line technology are now essential to the delivery of broadband service. Therefore, it is important to recognize the need for wireless and wire line technology and update state statutes accordingly. Finally, your Committees note that this measure is intended to continue the discussion about small wireless facilities and encourage a level playing field for competitive communications service providers.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to clarify that the limits on regulating the co-location of small wireless facilities or small wireless facilities networks shall not waive the State's or a county's right to require a license, franchise, or other agreement to access the right of way more broadly to install wireline broadband backhaul facilities, or to attach coaxial or fiber-optic cable between poles;
- (2) Establishing the rate for telecommunication pole attachments in 47 U.S.C. section 224(d) as the maximum annual recurring rate for co-location of a small wireless facility on state or county structures, utility poles, or light standards located within all public rights-of-way and property, rural or agricultural district lands, and urban district lands;
- (3) Inserting a provision that authorizes a wireless provider or wireless provider's licensed contractor to apply for or obtain a permit to install, place, maintain, operate, or replace micro wireless facilities that are suspended on messenger cables that are strung between existing utility poles in compliance with national safety codes;
- (4) Inserting language that prohibits the State and counties from adopting or enforcing any regulations on the placement or operation of wireless facilities in the right-of-way where the entity is already authorized by a franchise or other authorization to operate throughout the right-of-way, and prohibits the regulation of wireless communications services or the imposition or collection of fees on wireless communications services unless expressly required by state or federal statute;
- (5) Inserting definitions for the terms "co-location", "general applicability", "micro wireless facilities", "wireless communications service", "wireless facilities", and "wireline backhaul", and deleting the definition of "wireless service";
- (6) Inserting language to clarify that the term "small wireless facilities network" does not include wires or cables used for wireline backhaul or coaxial or fiber-optic cable between utility poles, or that are otherwise not immediately adjacent to and directly associated with a particular antenna;
- (7) Repealing sections of Act 151, Session Laws of Hawaii 2011, that have been codified within the Hawaii Revised Statutes;
- (8) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (9) Making 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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1201, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1201, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ruderman).

Ways and Means: Ayes, 9; Ayes with Reservations (Kahele). Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 826 Ways and Means on S.B. No. 951

The purpose and intent of this measure is to update the State's mortgage loan origination law.

Specifically, the measure:

- (1) Clarifies which persons are presumed to control a mortgage loan originator company;
- (2) Clarifies procedures for change of control of a licensee;
- (3) Clarifies which persons must disclose their relevant criminal history and criminal history background checks upon application for licensure and change of control of the licensee;
- (4) Clarifies criminal background check fee requirements;
- (5) Clarifies the conditions under which an employee performing mortgage loan origination activities for a nonprofit is exempt from registration and licensure as a mortgage loan originator;
- (6) Adds protections for consumers in their mortgage loan origination transactions;
- (7) Requires exempt sponsoring mortgage loan origination companies to have a principal place of business in the State and fulfill other requirements imposed upon other mortgage loan origination companies; and
- (8) Requires a nonprofit organization to directly manage and supervise any of the organization's mortgage loan origination activities.

The Department of Commerce and Consumer Affairs submitted written comments in support of this measure.

Your Committee finds that mortgage loan originator companies and other similar entities originate billions of dollars of residential mortgage loans annually. Your Committee believes that this measure will ensure that the State is equipped to properly supervise the mortgage loan origination industry, as required by federal law. The measure will also make the State's mortgage loan origination law clearer and more effective, improve compliance within the industry, facilitate the Division of Financial Institutions' regulatory actions, and enhance consumer protection.

Your Committee has amended this measure by:

- (1) Clarifying that the fee an applicant pays for a criminal history background check is the fee charged by the entities conducting the background check;
- (2) Clarifying cross references to the statutory paragraph that requires the payment of the criminal background check fee; and

- (3) Making a technical nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 951, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 951, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 827 Ways and Means on S.B. No. 511

The purpose and intent of this measure is to address the oversight of child care facilities in the State.

More specifically, this measure:

- (1) Requires the Department of Human Services, beginning with the inspections occurring on and after January 1, 2018, to post on its website copies of its reports of child care facility inspections within thirty working days of the conclusion of each inspection;
- (2) Creates a child care facility inspection information oversight committee within the Benefit, Employment and Support Services Division of the Department of Human Services, to oversee the Department's compliance with the requirement that the Department post copies of its childcare facilities inspection reports on its website; and
- (3) Requires the Department of Human Services to submit an annual report to the Legislature on all records and actions pertaining to its child care facility inspections.

Your Committee received written comments in support of this measure from fifty concerned individuals.

Your Committee received written comments on this measure from the Department of Human Services and Hawaii Children's Action Network.

Your Committee finds that child care facilities provide one of the most crucial services in the State. Parents and guardians place significant amounts of trust in the child care facilities that they select for their children, and should have access to complete information when selecting a child care facility. Requiring the Department of Human Services to post its records of child care facility inspections and complaint investigations on its website will provide parents and guardians with important information that will assist them in selecting child care facilities. Moreover, establishing an oversight committee to oversee the Department's compliance with the posting requirement helps to further ensure that parents and guardians are provided with the required information.

Your Committee has amended this measure by:

- (1) Replacing on the oversight committee, the Coordinator of the State Advisory Council on Early Childhood Education and Care, or the Coordinator's designee, with the Chairperson of the Early Learning Advisory Board, or the Chairperson's designee; 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. 511, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 511, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 828 Ways and Means on S.B. No. 1244

The purpose and intent of this measure is to help ensure that an adequate supply of affordable housing units is maintained in the State.

Specifically, the measure:

- (1) Authorizes the Hawaii Community Development Authority to transfer a right to repurchase a reserved or workforce unit and transfer the right of repurchase to a qualified nonprofit housing trust;
- (2) Authorizes the counties to waive their right of first refusal to repurchase certain privately developed affordable housing units and transfer that right of repurchase to a qualified nonprofit housing trust;
- (3) Authorizes the Hawaii Housing Finance and Development Corporation to waive its option to repurchase certain real property and transfer the right of repurchase to a qualified nonprofit housing trust; and
- (4) Amends the means of calculating the maximum price for the Hawaii Housing Finance and Development Corporation's first option to purchase real property.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawaii HomeOwnership Center; and Gentry Homes, Ltd.

Your Committee received written comments on this measure from the Hawaii Community Development Authority; and the Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds that for decades, there has been a persistent shortage of safe, decent, and sanitary housing, and the median price for a single family home on Oahu has risen to approximately \$750,000. Your Committee further finds that recent studies show a

need for sixty thousand housing units by the year 2020. Your Committee therefore believes that it is necessary to take steps to preserve existing affordable housing units for as long as possible.

Your Committee has amended this measure by:

- (1) Clarifying that for an entity to qualify as a nonprofit housing trust, it, among other requirements, must be recognized by the Internal Revenue Service as a charitable or otherwise tax exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; 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. 1244, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1244, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 829 Judiciary and Labor on S.B. No. 394

The purpose and intent of this measure is to:

- (1) Establish criminal penalties for real estate brokers for improper deposit, segregation, or disposition of client trust account funds;
- (2) Require the principal broker to report the client trust account number and name of the managing institution to the Real Estate Commission and notify the Commission of any change in account number or location within ten days; and
- (3) Authorize the Real Estate Commission to take action in Circuit Court to enforce client trust account requirements.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Real Estate Commission. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS.

Your Committee finds that, to ensure consumers are appropriately protected, property management companies should utilize client trust accounts and have clear rules associated with the use of client trust accounts. However, your Committee notes that existing law does not contain sufficient protections to safeguard client information and funds held in client trust accounts.

Accordingly, this measure ensures greater consumer protections by creating the criminal offense of theft, with regard to client trust accounts, and requiring principal brokers to file with the Real Estate Commission the client trust account number and name of the financial institution at which the client trust account is held. This measure also enables the Regulated Industries Complaints Office to expedite investigations of alleged client trust account violations and pursue court action, in addition to existing administrative remedies, to address client trust account violations.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 394, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 394, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 830 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 199

The purpose and intent of this measure is to provide for the funding of incentives for public charter school teachers.

Specifically, the measure:

- (1) Prohibits the use of a charter school's facilities funding or per-pupil funds to pay for teacher incentives and bonuses;
- (2) Beginning with fiscal year 2018-2019, requires the funding request for teacher incentives and bonuses to be a separate line item in the annual state budget act; and
- (3) Appropriates moneys for public charter school teacher bonuses and incentives for fiscal year 2017-2018.

The Office of Hawaiian Affairs, Hawaii State Public Charter School Commission, Hawaii State Teachers Association, and Kamehameha Schools submitted written comments in support of this measure. The Department of Budget and Finance submitted written comments on this measure.

Your Committees find that the success of public charter schools depends in part on the dedication of their teachers. Like the teachers at schools established and maintained by the Department of Education, teachers at public charter schools who have earned National Board certification or who teach at hard-to-fill schools are entitled to receive incentive bonuses. However, your Committees also find that while teachers at schools established and maintained by the Department of Education receive incentive bonuses from a designated fund, public charter school teachers are paid incentive bonuses out of each individual charter school's per-pupil funds. The costs of the incentives are not calculated into the moneys the State provides for per-pupil funds. The result is that charter school

administrators often must choose between hiring and retaining high-quality teachers and balancing their budgets. Your Committees believe that this measure will ensure a fair allocation of funds meant to ultimately benefit students who attend schools established and maintained by the Department of Education and students who attend public charter schools.

Your Committees have amended this measure by changing its effective date to July 1, 2050, to facilitate further discussion.

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. 199, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 199, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 831 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 619

The purpose and intent of this measure is to require the Department of Education to develop and implement a K-12 curriculum to career pipeline initiative.

More specifically, this measure requires the Department of Education, in collaboration and consultation with the Department of Business, Economic Development, and Tourism; the Department of Labor and Industrial Relations; and the University of Hawaii, to develop and implement a K-12 curriculum to career pipeline initiative to more closely align education to employment needs so that students graduate from high school with the right skills to enter the State's workforce.

Your Committees received written comments in support of this measure from the Department of Education and the Hawaii State Teachers Association.

Your Committees find that there is a disconnect between the needs and expectations of today's employers and the current skill levels of certain sectors of the State's workforce. Employers have increasingly reported difficulties in finding individuals with the right skills for the right job openings, particularly in the fields of science, technology, engineering, and mathematics, otherwise known as "STEM" jobs. Your Committees find that this measure will help close the skills gap in the State by providing Hawaii's students with greater access to technical skill and STEM training so that they are ready to enter the State's workforce upon graduating from high school.

Your Committees have amended this measure by:

- (1) Appropriating an unspecified amount to the Department of Education for the 2017-2019 fiscal biennium to fund the K-12 curriculum to career pipeline initiative;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical amendments for the purposes of clarity and consistency.

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. 619, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 619, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 832 Ways and Means on S.B. No. 717

The purpose and intent of this measure is to improve the cleanliness and management of the State's real property.

More specifically, the measure:

- (1) Establishes a temporary program to provide for the removal from state property of debris and litter deposited by occupants of illegal encampments; and
- (2) Establishes a temporary sheriff patrol program to deter illegal camping, trespassing, or being present on state property after closure hours.

Your Committee received written comments in support of this measure from The Institute for Human Services.

Your Committee received written comments on this measure from the Department of Accounting and General Services; the Department of Land and Natural Resources; the Hawaii Community Development Authority; and the Governor's Coordinator on Homelessness.

Your Committee finds that that illegal camping, trespassing, and remaining on state property after closure hours, and associated depositing of filth and debris, create health and safety problems that the State has been unable to adequately address. Your Committee believes that establishing a temporary sheriff patrol program to deter illegal camping and related activities on state property, along with a temporary program for removing waste materials left behind, will promote a safer and healthier environment.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified sums; 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. 717, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 717, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 833 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 1100

The purpose and intent of this measure is to standardize and improve the records management of public schools.

Specifically, this measure:

- (1) Requires schools to store records for at least one hundred years;
- (2) Authorizes schools to digitize, computerize, or minify records for storage;
- (3) Establishes a pilot program to modernize the records management of one elementary school, middle or intermediate school, and one high school, in each county; and
- (4) Appropriates funds for the pilot program.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that the Department of Education has not established a uniform length of time that original or reproductions of student records must be retained by schools. Your Committee further finds that some schools currently store original versions of student records in boxes that consume valuable school space. Your Committee believes that establishing standard requirements for storing school records, including provisions that allow for modern storage techniques, will help to create necessary space at schools and increase efficiency for processing requests for school records.

Your Committee has amended this measure by:

- (1) Clarifying that the original record may be destroyed after its digitization, computerization, or minification;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical amendments for purposes of clarity and consistency.

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. 1100, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1100, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).
Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 834 (Majority) Ways and Means on S.B. No. 1306

The purpose and intent of this measure is to establish an office of public-private partnership within the Department of Business, Economic Development, and Tourism and to appropriate moneys for this purpose.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and one individual.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that rising operating expenses and inflation have diminished the financial resources of various governmental departments, which results in less efficient use of public resources. Collaboration between the public and private sectors on certain public projects can produce a more efficient and effective use of public resources, but there is currently no public sector agency dedicated to coordinate and collaborate on these projects with the private sector. Accordingly, your Committee believes an office should be established for the coordination and collaboration of projects between the public and private sectors.

Your Committee has amended this measure by:

- (1) Expressly identifying the department in this measure as the Department of Business, Economic Development, and Tourism;
- (2) Making a technical nonsubstantive change for the purpose of clarity; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee notes that the Department of Business, Economic Development, and Tourism estimates the cost to establish and operate the program established by this measure to be \$500,000.

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 S.B. No. 1306, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1306, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, 1 (Taniguchi). Excused, none.

SCRep. 835 Ways and Means on S.B. No. 976

The purpose and intent of this measure is to raise the Hawaii Emergency Planning and Community Right-to-Know Act annual Tier II filing fee from \$100 to \$200.

Your Committee received written comments in support of this measure from the Department of Health and the Department of Business, Economic Development, and Tourism.

Your Committee finds that the Hawaii Emergency Planning and Community Right-to-Know Act, enacted in 1993, requires that covered facilities submit an annual Tier II chemical inventory form and pay a \$100 filing fee. The fees are deposited into the environmental response revolving fund, the revenues of which allow county first responders to maintain their emergency preparedness and response capabilities with respect to hazardous materials incidents across the State. Your Committee also finds that the \$100 filing fee has not changed since the law's enactment, and as operational and equipment costs have risen over the years, it has become necessary to increase the fee. The additional revenues generated by this measure will support interagency coordination and response at local levels and ensure effective statewide emergency preparedness.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 976 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 836 Ways and Means on S.B. No. 1073

The purpose and intent of this measure is to appropriate funds to the State Foundation on Culture and the Arts to support the artist fellowship program, which awards fellowships to promising local artists.

Your Committee received written comments in support of this measure from the State Foundation on Culture and the Arts and two individuals.

Your Committee finds that the artist fellowship program provides one-time fellowships to promising local artists. Your Committee notes that the artist fellowship program recognizes and honors Hawaii's exceptionally talented visual and performing artists and contributes greatly to the State's rich cultural landscape.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation from \$200,000 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. 1073, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1073, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 837 Ways and Means on S.B. No. 390

The purpose and intent of this measure is to regulate appraisal management companies.

Specifically, the measure:

- (1) Establishes an appraisal management registration program within the Department of Commerce and Consumer Affairs to conform to minimum standards established under federal law and regulations for appraisal management companies; and
- (2) Appropriates for the 2018-2019 fiscal year moneys from the general revenues of the State for certain costs related to the program.

The Department of Commerce and Consumer Affairs, Hawaii Credit Union League, Hawaii Bankers Association, Real Estate Valuation Advocacy Association, Hawaii Financial Services Association, Hawaii Association of REALTORS, and two individuals submitted written comments in support of this measure.

The Regulated Industries Complaints Office and the Division of Financial Institutions, both agencies of the Department of Commerce and Consumer Affairs, submitted written comments on this measure.

Your Committee finds that appraisal management companies are business entities that manage networks of independent appraisers who prepare appraisals on behalf of lenders. These companies are often responsible for the collateral valuation process, including appraisal review, quality control, market value dispute resolution, warranty administration, and record retention. Your Committee acknowledges that the registration of appraisal management companies is not mandatory under federal law. However, if Hawaii does not implement an appraisal management company registration scheme, lenders will need to maintain their own independent appraiser panels and ensure that appraisal orders are randomly assigned. Your Committee believes that the registration of appraisal management companies would enable lenders to continue to manage appraisers through those companies, which may ultimately result in greater choices of lenders for consumers.

Your Committee has amended this measure by:

- (1) Inserting a reference to title 12 Code of Federal Regulations, sections 1222.20, et. seq. in the findings and purpose section of the new statutory chapter established by this measure;

- (2) Expanding the definition of “appraisal management services” to include the provision of administrative services, such as receiving appraisal orders and appraisal reports;
- (3) Clarifying the definition of “appraisal review”;
- (4) Deleting the definition of “appraisal review committee,” a term not actually used in the measure;
- (5) Inserting language to establish that the appraisal management company registration program is subject to the real estate appraisal program;
- (6) Deleting the duty of the Director of Commerce and Consumer Affairs to appoint members to an advisory committee for the implementation of this measure;
- (7) Clarifying which persons are not required to register as an appraisal management company;
- (8) Requiring an appraisal management company to verify the competence of an appraiser receiving an assignment;
- (9) Clarifying that appraisal management company records shall be made available for inspection by the Director of Commerce and Consumer Affairs “upon request”;
- (10) Inserting language that prohibits engaging in any act or practice that violates appraisal independence;
- (11) Authorizing the Director of Commerce and Consumer Affairs to issue fines or take other disciplinary actions for violations of the appraisal management company registration program, the Uniform Professional and Vocational Licensing Act, or any rule or order of the Director;
- (12) Establishing specified fees and bonding requirements;
- (13) Requiring the Director of Commerce and Consumer Affairs to collect relevant information regarding appraisal management companies and submit that information to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;
- (14) Amending section 26H-4, Hawaii Revised Statutes, to provide for the automatic repeal of the appraisal management company registration program law on June 30, 2023, following the Auditor’s evaluation of the program;
- (15) Authorizing the Department of Commerce and Consumer Affairs to employ necessary personnel without regard to the Civil Service Law to assist with the implementation and continuing functions of this measure;
- (16) Changing the means of financing for the implementation of the appraisal management company registration program from an appropriation of moneys from the general revenues of the State to an appropriation from the compliance resolution fund;
- (17) Establishing that the provisions of the measure shall be enforced to the extent they are not held to conflict with any federal law;
- (18) Establishing that if any provision of this measure is held in conflict with any federal law, this measure shall be invalid in its entirety;
- (19) Changing the effective date of the measure to July 1, 2050, to facilitate further discussion on the measure; and
- (20) Making technical nonsubstantive amendments for clarity, consistency, and style.

Your Committee wishes to stress that an appropriation for the appraisal management company registration program should be funded by moneys from the compliance resolution fund and not from the general revenues 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. 390, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 390, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, English, Kahele, Taniguchi).

SCRep. 838 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 994

The purpose and intent of this measure is to expand the powers and duties of the Stadium Authority to enable it to redevelop the real property occupied by Aloha Stadium.

More specifically, this measure:

- (1) Requires the Stadium Authority to adopt rules requiring developers to dedicate land or facilities for public facilities, or cash payments in lieu thereof, as a condition of developing real property pursuant to a stadium complex area development plan;
- (2) Authorizes the Stadium Authority to appoint or retain its own attorneys to provide legal contract negotiation services in cases in which the Attorney General lacks expertise; and
- (3) Establishes additional powers and duties of the Stadium Authority, including the:
 - (A) Preparation of a stadium complex development plan; and
 - (B) Acquisition and development of property and projects.

Your Committees received written comments in support of this measure from the Stadium Authority, IMUAlliance, and Hawaii Lodging and Tourism Association.

Your Committees find that Aloha Stadium is a forty year old facility situated on approximately ninety-nine acres of land. Reports have shown that the cost of repairing Aloha Stadium to an operationally safe level is significantly higher than the cost of construction and operation of a modern stadium that would be compliant with the Americans with Disabilities Act. A new and modern stadium project that utilizes the full amount of available land is more likely to attract world-class events and reward residents and visitors with a more enjoyable experience when attending events at the Stadium. However, various obstacles have prevented the Authority from engaging stakeholders in the development of a master plan for a new stadium. Your Committees believe that the Authority needs expanded powers and duties in order to overcome those obstacles and develop the stadium property to its fullest potential.

Your Committees have amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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. 994, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 994, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 839 Ways and Means on S.B. No. 534

The purpose and intent of this measure is to improve the care of elderly persons in the State.

More specifically, the measure:

- (1) Requires the Executive Office on Aging to establish the Kupuna Caregivers Program to assist community members in obtaining care for elders, while remaining in the workforce;
- (2) Makes establishment of the existing Kupuna Care Program mandatory and clarifies the kupuna services and supports provided by area agencies on aging within the program; and
- (3) Appropriates moneys for the establishment of the Kupuna Caregivers Program.

Your Committee received written comments in support of this measure from the Executive Office on Aging, AARP Hawaii, the Aloha Chapter of the Alzheimer's Association, the Hawaii Section of the American Congress of Obstetricians and Gynecologists, Caring Across Generations, Faith Action for Community Equity, the Hawaii Family Caregiver Coalition, the Hawaii Medical Association, Hawaii Pacific Health, the Hawaii Public Health Association, the Healthcare Association of Hawaii, ILWU Local 142, Mental Health America of Hawaii, St. Elizabeth's Episcopal Church, and fifty-nine individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that there is a growing need for long-term care and services for Hawaii's kupuna and that family caregivers often play a vital role in providing long-term care. However, caregiving can burden families financially, as well as emotionally and physically, and lead to chronic stress for caregivers and emotional harm for kupuna who need care but do not wish to be a burden. Your Committee further finds that the State should support and assist the efforts of caregivers through a Kupuna Caregivers Program of the Executive Office on Aging.

Your Committee notes that this measure included appropriations of \$600,000 for fiscal year 2017-2018 and \$6,000,000 for fiscal year 2018-2019. Your Committee intends to consider including these appropriations in the measure establishing the State's biennial budget.

Your Committee has amended this measure by:

- (1) Making technical amendments to:
 - (A) Remove redundant language from the new provision on service options for the delivery of Kupuna Care Program services and supports; and
 - (B) Clarify the qualifications for care recipients to participate in the Kupuna Care Program;
- (2) Changing the appropriations from \$600,000 for fiscal year 2017-2018 and \$6,000,000 for fiscal year 2018-2019 to unspecified amounts; 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. 534, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 534, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 840 Judiciary and Labor on S.B. No. 396

The purpose and intent of this measure is to:

- (1) Require a mortgagee or record assignee to provide to a mortgagor or borrower, upon full satisfaction of a mortgage and discharge of the secured debt, a reassignment or release of security interests in leases and rents that served as additional security for the mortgage;

- (2) Authorize title insurers or underwritten title companies to reassign or release mortgagees' security interests in leases and rents on behalf of the mortgagee or record assignee under certain conditions; and
- (3) Authorize certain entities to institute an action in any circuit court to obtain the release or reassignment instrument in the absence of compliance of a mortgagee or record assignee.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Financial Services Association, and Title Guaranty of Hawaii, Inc.

Your Committee finds that lenders may secure loans to a borrower through a mortgage and through an assignment of the borrower's rights in leases and rents. These security interests are generally recorded in the Bureau of Conveyances and the Office of the Assistant Registrar of the Land Court. Once a loan is paid in full and satisfied, the parties to the loan generally record a release of the mortgage but sometimes fail to record a release or reassignment of the security interest in leases and rents. As a result, many of these recorded assignments of leases and rents remain on the public record and continue to be found in subsequent title searches involving a property, even though these assignments are no longer enforceable.

Your Committee further finds that title insurers and underwritten title companies are authorized to execute the release of a satisfied mortgage in certain circumstances; however, there is no corresponding mechanism for clearing the public record of the assignments of leases and rents. Accordingly, this measure amends the procedure for clearing titles to include reassignments or releases of leases and rents, which will enable title companies to better facilitate the clearing of extraneous security interests on titles to real property from the public record.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 396, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 396, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 841 Judiciary and Labor on S.B. No. 562

The purpose and intent of this measure is to make permanent the limited liability protection established under Act 170, Session Laws of Hawaii 2002, as amended, for county lifeguards and counties providing lifeguard services on beaches or in the ocean.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Land and Natural Resources, Hawaii State Association of Counties, Maui County Council, City and County of Honolulu, Hawaiian Lifeguard Association, Drowning Prevention and Aquatic Injury Steering Committee of the Injury Prevention Advisory Committee, Maui Hotel & Lodging Association, and twenty-two 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 providing lifeguard services at beaches and in the ocean is vital to the health, safety, and welfare of the public. Because the threat of potential tort liability made some counties reluctant to provide lifeguard services at some beaches, the Legislature provided limited tort liability protection for county lifeguards and counties providing lifeguard services on beaches or in the ocean until June 30, 2017, except in cases of gross negligence or wanton acts or omissions.

Your Committee has amended this measure by:

- (1) Extending the sunset date to June 30, 2021, rather than repealing it;
- (2) Inserting an effective date of January 7, 2059, 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. 562, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 562, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 842 Judiciary and Labor on S.B. No. 1037

The purpose and intent of this measure is to:

- (1) Require the firearms permit issuing authority to notify the prosecuting attorney of the county of the issuing authority, the United States Attorney's Office in Hawaii, and the Department of Public Safety if an applicant is denied a permit because the applicant is prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law;
- (2) Require the firearms permit issuing authority to notify the court that issued a protective or restraining order on an applicant, as applicable, upon notification of a permit denial; and
- (3) Require the Department of Public Safety to notify the probation or parole officer of an applicant, if applicable, upon notification of a permit denial.

Your Committee received testimony in support of this measure from the Judiciary, American Medical Response, Keiki Injury Prevention Coalition, Everytown for Gun Safety, Hawai'i Friends of Civil Rights, and twenty-four individuals.

Your Committee finds that a robust regulatory framework for firearm ownership is essential to protecting the public health, safety, and welfare. Such a regulatory framework should include identification of individuals who attempt to apply for and are denied a permit because they are prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law.

Your Committee has amended this measure by:

- (1) Requiring the firearm permit issuing authority to notify the prosecuting attorney of the county of the issuing authority, the United States Attorney's Office in Hawaii, and the Department of Public Safety within ten business days of the date of denial; and
- (2) Requiring the firearm permit issuing authority to notify the court that issued a protective or restraining order on an applicant within three business days of the date of denial.

Your Committee notes that it has concerns regarding the impact of this measure on the various agencies and the actions that the agencies will take after receiving notification.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1037, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1037, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Rhoads).

SCRep. 843 Judiciary and Labor on S.B. No. 1227

The purpose and intent of this measure is to make permanent the affirmation requirement and form that is filed by an attorney on behalf of a mortgagee who is seeking to foreclose on a residential property under a judicial foreclosure action.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that, during the height of the foreclosure crisis, numerous distressed homeowners reported to government authorities, including the Office of Consumer Protection and Department of the Attorney General, that their financial institutions were initiating foreclosure actions without a sufficient basis. Among the more egregious claims were reports that financial institutions were engaging in robo-signing, in which banks supported foreclosure actions through the use of false affidavits signed by bank employees. In response, the Legislature enacted Act 182, Session Laws of Hawaii 2012, which, among other things, requires a foreclosing party's attorney to affirm that the attorney has personally reviewed the documents and records associated with a foreclosure action, confirm the factual accuracy of the complaint allegations, and state that the attorney does not believe there are any false statements of fact or law and that the plaintiff has legal standing to bring the foreclosure action.

Your Committee further finds that although the frequency of robo-signing appears to have recently diminished, statutory safeguards such as the attorney affirmation will help deter such conduct from reoccurring in Hawaii. Accordingly, this measure makes permanent the attorney affirmation requirement and form that must be filed by an attorney on behalf of a mortgagee who is seeking to foreclose on a residential property in a judicial foreclosure action.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1227 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 844 Judiciary and Labor on S.B. No. 1240

The purpose and intent of this measure is to require the Department of Land and Natural Resources to submit proposed legislation to the Legislature by the Regular Session of 2019, which includes a definition of "sustainable", a policy for sustainable collection practices of near shore aquatic life, and limits on collection.

Your Committee received testimony in support of this measure from the Conservation Council for Hawai'i, The Humane Society of the United States, Humane Society International, Environmental Caucus of the Democratic Party of Hawai'i, For the Fishes, Ocean Tourism Coalition, and one hundred thirty-four individuals. Your Committee received testimony in opposition to this measure from six individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources, Snorkel Bob's Hawaii, and four individuals.

Your Committee finds that ensuring the sustainability of aquatic life and the protection of coral reefs in Hawaii waters is vital to the long-term interests of the people of Hawaii. Your Committee further finds that it is imperative for the long-term protection of marine resources to determine what is sustainable and to establish a policy for sustainable collection practices of near shore aquatic life. This measure will provide the necessary data regarding the numbers of various species of aquarium fish in the waters around Oahu and the effects of current collection practices in order to develop appropriate and effective laws to preserve and ensure the sustainability of Hawaii's aquatic life.

Your Committee has amended this measure by:

- (1) Requiring the Department of Land and Natural Resources to include in its proposed legislation any additional resources required by the Department; and
- (2) Inserting an effective date of January 7, 2059, 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. 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, 5. Noes, none. Excused, none.

SCRep. 845 Judiciary and Labor on S.B. No. 1291

The purpose and intent of this measure is to update statutory language on liquor license application and operating procedures. Specifically, this measure:

- (1) Includes member managed and manager managed limited liability companies under liquor licensing statutes;
- (2) Allows liquor license holders to avoid license transfers upon admission or withdrawal of members or owners of the license holding entity by notifying the liquor commission within a set period of time after a change in membership or ownership of the license holding entity; and
- (3) Clarifies conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure.

Your Committee received testimony in support of this measure from the Maui Hotel & Lodging Association.

Your Committee finds that the efficient and equitable treatment of businesses in any licensing process is essential for cultivating a robust economy that benefits the public. Existing statutes relating to liquor licensing are outdated, do not reflect the current state of business practice in the State, including modern forms of business organization such as limited liability companies, make the licensing process inefficient, and serve as an impediment to business.

Your Committee has amended this measure by:

- (1) As recommended by the Maui Hotel & Lodging Association, inserting language that allows the liquor commission to issue a temporary license when an applicant, transferor, or transferee is actively challenging a tax matter that prevents the issuance of the appropriate certificate;
- (2) Inserting an effective date of January 7, 2059, 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. 1291, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1291, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Rhoads).

SCRep. 846 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 836

The purpose and intent of this measure is to protect students attending the State's public schools from sex trafficking.

More specifically, this measure:

- (1) Allows the Department of Education to offer voluntary training for teachers and educational officers on sex trafficking prevention and response; and
- (2) Requires the Department of Education to provide to teachers and educational officers, at the beginning of each school year, explanatory information about protocols the Department has approved for handling victims of sex trafficking.

Your Committees received written comments in support of this measure from the Department of Education, Hawaii State Teachers Association, IMUAlliance and UNITE.

Your Committees find that outside of the family, schools may be the main social institution in which children have constant contact with adults and their peers. Therefore, it is an optimal place to identify children in danger of sexual maltreatment. It is important that teachers and educational officers be informed about how to prevent sexual trauma and handle related incidents on campus. Your Committees believe this measure will provide teachers and educational officers with access to the resources and training they need to help ensure that the State's students are protected from sex trafficking.

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. 836 and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).
Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 847 Ways and Means on S.B. No. 276

The purpose and intent of this measure is to change the number of judges of the district court of the second circuit from three to four judges.

In addition, this measure makes housekeeping amendments to laws relating to the composition of judges of the circuit courts, district courts, and family courts.

Your Committee received written comments in opposition to this measure from the Hawaii State Judiciary and one individual.

Your Committee finds that the laws relating to the composition of judges of the circuit courts, district courts, and family courts are outdated and require housekeeping amendments. Your Committee also finds that the second circuit could benefit from an additional judge for the district court.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 276, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (Taniguchi). Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 848 Ways and Means on S.B. No. 490

The purpose and intent of this measure is to allow the circuit court or family court to issue a material witness order in cases initiated through felony complaint, in addition to indictment or written information.

Your Committee received written comments in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that a material witness order is a court order that compels a person to appear as a material witness in a pending criminal action to which bail is affixed, to secure that person's attendance in court. Current law relating to material witness orders applies to an indictment or written information filed in circuit court. This measure ensures that both circuit court and family court have the tools necessary to issue a material witness order, regardless of whether the case is initiated through an indictment, written information, or felony complaint.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 490, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 849 Ways and Means on S.B. No. 659

The purpose and intent of this measure is to increase the minimum and maximum fines for operating a vehicle while under the influence of an intoxicant.

The Department of Transportation, the Hawaii Strategic Highway Safety Plan, Kihei Community Association, and Mothers Against Drunk Driving submitted written comments in support of this measure.

Your Committee finds that driving under the influence of alcohol or drugs continues to be a problem in Hawaii. In 2015, ninety-three fatalities occurred on Hawaii's roads, more than half of which were caused by alcohol- or drug-related driving. In the same year, police arrested over six thousand drivers in Hawaii for operating a vehicle under the influence of an intoxicant. Your Committee believes that the increased fines authorized by this measure will significantly deter intoxicant-impaired driving.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 659 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 850 Ways and Means on S.B. No. 664

The purpose and intent of this measure is to improve traffic safety by increasing fines for persons who commit the offense of driving a motor vehicle at an excessive speed.

Your Committee received written comments in support of this measure from the Department of Transportation, Hawaii Strategic Highway Safety Plan, and Kihei Community Association.

Your Committee finds that, between 2011 and 2015, two hundred thirty-five lives were lost in speed-related traffic crashes in the State. Your Committee believes that this measure will promote safety on public roadways by deterring drivers from driving at speeds that pose a danger to themselves and others.

As affirmed by the record of votes of the members of your Committee 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 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Riviere). Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 851 Ways and Means on S.B. No. 854

The purpose and intent of this measure is to authorize the Department of Labor and Industrial Relations to issue a stop-work order to an employer who fails to comply with the various wages and compensation requirements of chapter 388, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Hawaii Construction Alliance, and Pacific Resource Partnership.

Your Committee received written comments on this measure from the Subcontractors Association of Hawaii and The Chamber of Commerce Hawaii.

Your Committee finds that while the Department of Labor and Industrial Relations can request that a court issue an injunction against an employer who fails to comply with applicable wages and compensation laws, obtaining an injunction can take some time. In the construction industry, projects may be completed in a matter of months, while investigations into the suspected unlawful activity can take much longer. Your Committee believes that providing the Department with the authority to issue stop-work orders will help to ensure employers' compliance with the wages and compensation laws.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 854, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 852 Ways and Means on S.B. No. 948

The purpose and intent of this measure is to authorize the Division of Financial Institutions (Division) of the Department of Commerce and Consumer Affairs to employ or retain attorneys.

Specifically, this measure removes the restriction that the Division may hire attorneys only for actions involving the mortgage loan recovery fund.

The Department of Commerce and Consumer Affairs submitted written comments in support of this measure.

Your Committee finds that bank departments in forty states have staff attorneys that assist in drafting enforcement orders and providing guidance. Your Committee recognizes that, while existing law authorizes the Division to employ and retain attorneys for actions involving the mortgage loan recovery fund, almost all of the Division's legal needs are outside the scope of the current authorization. Your Committee finds that this measure would authorize the Division to hire staff attorneys, whose abilities to confer on potential legal and regulatory issues, conduct legal research, and provide options and recommendations for resolution would enhance the Division's efficiency and capacity.

As affirmed by the record of votes of the members of your Committee 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 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 853 (Majority) Ways and Means on S.B. No. 1016

The purpose and intent of this measure is to continue the Department of Transportation's efforts to expeditiously rehabilitate bridges under its jurisdiction.

Specifically, the measure extends the Department of Transportation's exemption from certain statutory requirements for specified bridge rehabilitation programs by extending the sunset date of Act 218, Session Laws of Hawaii 2012, to June 30, 2022.

Your Committee received written comments in support of this measure from the Department of Transportation.

Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs.

Your Committee finds that this measure will allow the Department of Transportation to continue accelerating the design and construction of bridges listed in Act 218, Session Laws of Hawaii 2012. Your Committee notes that these projects must continue to comply with all applicable federal laws, as this measure does not exempt the bridge projects from those requirements.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Harimoto). Noes, 1 (Riviere). Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 854 Ways and Means on S.B. No. 1163

The purpose and intent of this measure is to impose civil fines not exceeding \$200, rather than criminal penalties, for violations of chapter 261, Hawaii Revised Statutes, or any rules or orders issued pursuant thereto, involving the following:

- (1) Aviation safety measures, practices, or requirements; or
- (2) Licensing and regulation of persons engaged in commercial activities at public airports.

Your Committee received written comments in support of this measure from the Aircraft Owners and Pilots Association, General Aviation Council of Hawaii, and fourteen individuals.

The Department of Transportation and five individuals submitted written comments on the measure.

Your Committee finds that this measure addresses concerns raised by the general aviation community with respect to overly harsh criminal penalties for perceived minor infractions, such as keeping non-aircraft items in a hangar otherwise used for aircraft storage. Your Committee also finds that because this measure decriminalizes certain offenses, aviators will be able to quickly resolve violations by paying a civil fine, rather than resort to contesting a case in court purely to avoid losing their pilot's licenses or jeopardizing their careers. Your Committee anticipates that the timely payment of fines will result in increased revenue for the State and ease the burden on the courts.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1163, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 855 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 494

The purpose and intent of this measure is to require persons charged with operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant to be fitted with a continuous alcohol monitoring device if the person:

- (1) Is so charged within five years of a prior conviction for operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant; or
- (2) Has a criminal investigation or prosecution that is pending for one or more prior charges of operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; and SCRAM Systems. Your Committees received testimony in opposition to this measure from Smart State, LLC. Your Committees received comments on this measure from the Mothers Against Drunk Driving Hawaii.

Your Committees find that the National Highway Traffic Safety Administration reported that forty-one percent of all traffic fatalities in Hawaii were alcohol related, versus the national average of thirty-one percent. Moreover, between 2008 and 2012, eleven percent of all alcohol-related fatalities in Hawaii involved a driver who was previously convicted of operating a vehicle under the influence of an intoxicant. This measure seeks to decrease alcohol-related fatalities and accidents by requiring repeat offenders to be fitted with a continuous alcohol monitoring device.

Your Committees have amended this measure by:

- (1) Deleting language that established procedures for a court to determine whether a person lacks financial ability to pay for the monitoring device;
- (2) Inserting language that requires the prosecuting attorney of each county and the Attorney General to contract with selected continuous alcohol monitoring device vendors to provide financial relief for the costs of the monitoring devices to certain persons;
- (3) Inserting an effective date of January 7, 2059, 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 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. 494, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 494, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).
Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 856 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 560

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to translate the Hawaii State Constitution into the Hawaiian language.

Your Committees received testimony in support of this measure from Ho'omana Pono, LLC; and four individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that article X, section 4, of the Hawaii State Constitution provides, in pertinent part, "The State shall promote the study of Hawaiian culture, history and language." In addition, article XV, section 4, of the Hawaii State Constitution establishes Hawaiian as one of two official languages of the State. However, the Hawaii State Constitution is officially published only in English. This measure is a positive step in the continued revitalization of the Hawaiian language.

Your Committees have amended this measure by:

- (1) Inserting a blank appropriation amount to the University of Hawaii;
- (2) Inserting an effective date of January 7, 2059, 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 S.B. No. 560, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 560, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).
Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 857 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 614

The purpose and intent of this measure is to delete the sunset provision for certain sections of Act 139, Session Laws of Hawaii 2012, as amended, to make permanent provisions of the Act regarding pretrial risk assessments and parole.

Your Committees received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, and Ho'omana Pono, LLC.

Your Committees find that overcrowding in jails and prisons is a growing concern and a situation that can lead to negative impacts for the public. One factor that contributes to overcrowding is the lack of or inefficient granting of parole. Another factor is the length of time that pre-trial offenders are held in custody. The Legislature addressed these problems previously, and as a result, the courts and the Hawaii Paroling Authority have been able to work with greater efficiency. Accordingly, this measure ensures the continued improvement of efficiency in parole decisions and pretrial risk assessment by making a measure previously enacted by the Legislature permanent.

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. 614 and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 858 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 674

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;
- (2) Establish jury instructions when the court determines that the eyewitness identification is admissible; and
- (3) Require the Attorney General to establish procedures for the implementation of uniform statewide eyewitness identification procedures.

Your Committees received testimony in support of this measure from the Community Alliance on Prisons. Your Committees received testimony in opposition to this measure from the Police Department, County of Hawai'i. Your Committees received comments on this measure from the Judiciary.

Your Committees find that the use of proper eyewitness identification procedures by law enforcement is critical to protecting individual rights and personal liberty. While law enforcement agencies in the State have their own procedures for eyewitness identifications, there are no uniform standards. This measure ensures that law enforcement agencies engage in the best practices that offer the greatest protections for individuals.

Your Committees note the concerns raised in written testimony submitted by the Judiciary that the jury instruction provisions in this measure may infringe upon and constrain the judgment and discretion of a trial judge and pose an unnecessary burden on the defendant's constitutional right to conduct the defendant's own defense.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that law enforcement shall perform a photo lineup or live lineup whenever reasonably practicable, but if a showup is unavoidably necessary, law enforcement is required to comply with certain procedures;
- (2) Deleting language regarding jury instructions when the court determines that the eyewitness identification is admissible;
- (3) Inserting an effective date of January 7, 2059, 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 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. 674, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 674, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 859 Judiciary and Labor on S.B. No. 424

The purpose and intent of this measure is to:

- (1) Require police departments to disclose to the Legislature the identity of an officer upon the officer's second suspension in a five-year period or discharge; and
- (2) Require disclosure of certain information under the Uniform Information Practices Act after a police officer's second suspension in a five-year period.

Your Committee received testimony in support of this measure from the Office of Information Practices; Police Department, City and County of Honolulu; League of Women Voters of Hawaii; and one individual. Your Committee received testimony in opposition

to this measure from the State of Hawaii Organization of Police Officers, The Civil Beat Law Center for the Public Interest, and one individual.

Your Committee finds that this measure serves the public interest by disclosing the identities of police officers who are suspended twice within a five-year period. Transparency and accountability of police officers are of great importance in maintaining the public's confidence in law enforcement, and a healthy relationship between police and the public is essential for maintaining the health, safety, and welfare of the public.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 424, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 424, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 860 Judiciary and Labor on S.B. No. 655

The purpose and intent of this measure is to allow a duly authorized credentialed representative of any news service, newspaper, radio station, television station, or online news distribution network, under the supervision of designated emergency management personnel, to enter an area closed pursuant to the emergency management powers of the Governor and Mayors.

Your Committee received testimony in support of this measure from The Maritime Group, Hawaii 24/7, and five individuals. Your Committee received comments on this measure from the Department of Transportation, Big Island Press Club, Hawaii Emergency Management Agency, and one individual.

Your Committee finds that a free press is essential for maintaining a free and open society. The news media serves the invaluable purpose of relaying necessary and timely information to the public - a role that is enhanced in an emergency or crisis situation. However, existing state laws do not ensure media access during emergency or crisis situations. This measure updates these laws to ensure the maximum access possible for news media during emergency situations while taking into account emergency management recovery efforts, security and safety hazards, and liability concerns.

Your Committee has amended this measure by:

- (1) As recommended by the Hawaii Emergency Management Agency, amending language to allow media access into closed emergency areas only when the designated emergency management authority for the affected area determines that media access is reasonable and safe and does not hinder ongoing response and recovery activities;
- (2) As recommended by the Department of Transportation:
 - (A) Clarifying the logistics and parameters of the media pool; and
 - (B) Inserting language specifying that the State, counties, and any designated emergency management authority are not responsible for providing copies, equipment, telephone or internet access, or any other logistical support associated with media access to emergency areas; 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. 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, 3. Noes, none. Excused, 2 (Gabbard, Rhoads).

SCRep. 861 Judiciary and Labor on S.B. No. 1150

The purpose and intent of this measure is to prohibit the use or application of sunscreen, sunblock, or cosmetic containing oxybenzone while on a beach or in the ocean unless the sunscreen, sunblock, or cosmetic is a prescription drug.

Your Committee received testimony in support of this measure from the Department of Health; Americans for Democratic Action Hawaii'i; Democratic Party of Hawaii'i; Conservation Council for Hawaii'i; Napili Bay and Beach Foundation; Raw Elements; Snorkel Bob's Hawaii; Valley Isle Excursions; We Are One, Inc.; Maui Kayak Adventures; Maui Marketing; Maui Stand Up Paddle Boarding; Maui Surf Lessons; Haereticus Environmental Laboratory; Hawaiian Paddle Sports; Hawaii Mermaid Adventures; and forty-three individuals. Your Committee received testimony in opposition to this measure from the Consumer Healthcare Products Association and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that oxybenzone, a common sunscreen ingredient, has detrimental effects on coral reefs. The threat is particularly acute in Hawaiian ocean waters where coral bleaching is occurring at a rate never previously recorded. This measure protects Hawaii's coral reefs by prohibiting the use of sunscreens and cosmetics containing oxybenzone that are not prescription drugs at beaches or in the ocean.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 1150, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1150, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 862 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 122

The purpose and intent of this measure is to:

- (1) Under certain circumstances allow certain designated family members and other interested persons to receive notice of a person having a mental health emergency of the person's emergency admission, examination, and hospitalization;
- (2) Require that the name, address, and telephone number of at least one of certain designated family members and other interested persons be included on a petition for involuntary hospitalization or assisted community treatment;
- (3) Entitle certain designated family members and other interested persons to:
 - (A) Notice of adjournments, continuances, other delays, dates of rescheduled hearings, and hearing waivers;
 - (B) The option to be present in the courtroom for a hearing on a petition for involuntary hospitalization or assisted community treatment, unless the court determines that the interests of justice require otherwise; and
 - (C) The option to receive copies of hearing transcripts or recordings, unless the court determines that the interests of justice require otherwise;
- (4) Require notice of discharge and voluntary inpatient treatment when forensic and non-forensic patients are civilly committed to individuals specified in the order of commitment;
- (5) Require the court to adjourn or continue a hearing on a petition for involuntary hospitalization or assisted community treatment for failure to timely notify designated persons, with certain exceptions; and
- (6) Require notice to certain designated family members and other interested persons of any transport or admission of any person to assisted community treatment.

Your Committees received comments on this measure from the Hawaii Disability Rights Center.

Your Committees find that family members provide a very valuable support network for individuals with mental illness, especially as those individuals try to navigate the State's health, mental health, and court systems. Family members are often kept in the dark about their loved ones' status, location, and treatment. This measure balances the importance of providing family members with more information about their loved ones with mental illness with the need to protect individual privacy rights.

Your Committees have amended this measure by:

- (1) Adding legal guardian to the list of individuals who are required to be notified or identified in a petition for purposes of consistency;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes 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. 122, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 122, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 863 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 137

The purpose and intent of this measure is to establish the Innovation and Commercialization Initiative Program to expressly give the University of Hawaii the legal authority to create, finance, and participate in new economic enterprises and expand workforce opportunities based on inventions and discoveries generated by or at the University.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Chamber of Commerce Hawaii, Sultan Ventures, University of Hawaii Professional Assembly, and one individual. Your Committees received testimony in opposition to this measure from Common Cause Hawaii. Your Committees received comments on this measure from the Hawaii State Ethics Commission, Office of Information Practices, and State Procurement Office.

Your Committees find that the Legislature has a history of authorizing and providing funds to support efforts by state agencies to promote entrepreneurial development, support research commercialization, and provide access to startup investment capital. Commercialization contributes to a more diverse workforce in the State and promotes a robust and dynamic economy. The University of Hawaii is a research and teaching institution and is in a valuable position to identify promising innovations and new discoveries arising from university research. In order to remain competitive with its peers, the University of Hawaii must develop its capacity to commercialize its intellectual property. This measure will allow the University to undertake commercialization activity with greater legal certainty and clarity.

Your Committees have amended this measure by:

- (1) Deleting language that exempts any advisory committee appointed by the University of Hawaii in implementing the Innovation and Commercialization Initiative Program from being a board that is subject to chapter 92, Hawaii Revised Statutes;
- (2) Inserting an effective date of January 7, 2059, 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 S.B. No. 137, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 137, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 864 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 223

The purpose and intent of this measure is to:

- (1) Authorize a naturopathic physician to prescribe testosterone that is consistent with naturopathic medical practice; and
- (2) Clarify that narcotic drugs shall not be included within the naturopathic formulary.

Your Committees received testimony in support of this measure from the Board of Naturopathic Medicine. Your Committees received testimony in opposition to this measure from the Hawaii Medical Association. Your Committees received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committees find that naturopathic physicians provide skilled and quality care to patients throughout the State. Although naturopathic physicians in Hawaii have the ability to prescribe many of the medicines commonly prescribed in family practice, they are unable to prescribe controlled substances. This measure therefore authorizes a naturopathic physician to prescribe controlled substances that are consistent with naturopathic medical practice, but specifies that narcotic drugs are not to be included within the naturopathic formulary.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 S.B. No. 223, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 223, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 865 Judiciary and Labor on S.B. No. 312

The purpose and intent of this measure is to:

- (1) Require boards to make board packets available for public inspection and provide notice, upon request, of the availability of board packets;
- (2) Require boards to allow oral testimony to be presented on agenda items separately and at the time the item is first brought up for discussion at the meeting;
- (3) Add emergency meetings to the public meeting notice requirements; and
- (4) Allow the electronic mailing of meeting notices, require the posting of the notice on the State's or appropriate county's electronic calendar, and clarify posting requirements and potential posting disputes.

Your Committee received testimony in support of this measure from The Civil Beat Law Center for the Public Interest, Common Cause Hawaii, League of Women Voters, and one individual. Your Committee received testimony in opposition to this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Department of Taxation, Department of Land and Natural Resources, Office of Information Practices, and County Council, County of Maui.

Your Committee finds that the public is best served by increased government transparency, understanding, and participation. Modernizing the Sunshine Law to include electronic postings and communication will increase public access to valuable information regarding public agency meetings. This measure increases access to board materials via the accessibility of board packets to allow for more meaningful public testimony at meetings, and further increase the quality of public participation in civic life.

Your Committee notes the concerns raised in written testimony regarding making board packets available for public inspection and further notes that the Board of Land and Natural Resources, Council on Revenues, and Tax Review Commission currently makes board packets available.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the requirements to make board packets available for public inspection and provide notice, upon request, of the availability of board packets apply to the Board of Land and Natural Resources, Council on Revenues, and Tax Review Commission, and that this requirement will sunset on July 1, 2019;
- (2) Requiring that the written summary that accompanies minutes that are posted as a digital or analog recording includes any significant actions taken by the board, including motions and votes made by the board;
- (3) Adopting the language suggested by the Office of Information Practices that establishes a board packet working group to develop board packet disclosure requirements and requires the working group to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the Regular Session of 2018;
- (4) Inserting an effective date of January 7, 2059, 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. 312, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 312, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Rhoads).

SCRep. 866 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 384

The purpose and intent of this measure is to:

- (1) Authorize and establish procedures and criteria for the Board of Psychology to grant prescriptive authority to clinical psychologists who meet specific education, training, and registration requirements, including requiring prescribing psychologists to adhere to all applicable statutory regulations; and
- (2) Require the Board of Psychology to report to the Legislature prior to the Regular Session of 2021.

Your Committees received testimony in support of this measure from the Board of Psychology, Hawai'i State Center for Nursing, Hawai'i Psychology Association, Hawaii Catholic Conference, Hawaii Medical Service Association, Mental Health America of Hawai'i, PHOCUSED, and fourteen individuals. Your Committees received testimony in opposition to this measure from the Hawaii Medical Association, Hawaii Psychiatric Medical Association, American Psychiatric Association, and one individual.

Your Committees find that the mental health needs of individuals in Hawaii continue to outweigh the capacity of the State's mental health system. Increasing access to qualified health care professionals who are trained in the pharmacological treatment of mental and emotional disorders is of critical importance for the State.

Your Committees further find that this measure includes multiple safeguards that ensure patient safety and quality patient care, and requires a collaborative agreement between a prescribing psychologist and a primary care provider. This measure also requires prescribing psychologists to complete extensive coursework and training requirements; pass a rigorous national examination; obtain a federal Drug Enforcement Administration registration number; prescribe and administer only those medications related to the diagnosis and treatment of mental and emotional disorders pursuant to the practice of psychology, but excluding those drugs classified into schedule I, II, or III pursuant to chapter 329, Hawaii Revised Statutes, opiates, or narcotic drugs and all off-label prescribing for patients aged seventeen or younger; provided that prescribing psychologists may prescribe and administer stimulants for the treatment of attention deficit hyperactivity disorder regardless of the stimulants' schedule classification; and complete continuing education requirements specific to psychopharmacology, in addition to the existing continuing education requirements for licensed clinical psychologists.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 S.B. No. 384, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 384, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).
Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 867 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 421

The purpose and intent of this measure is to:

- (1) Establish requirements for body-worn cameras and vehicle cameras for county police officers;
- (2) Establish policy guidelines for the use and discontinuance of use of body-worn cameras by county police officers;
- (3) Establish certain restrictions on the use of body-worn cameras and vehicle cameras by on-duty county police officers;
- (4) Add retention and deletion requirements for body-worn camera footage;
- (5) Prohibit certain uses of body-worn camera video footage;

- (6) Establish violations of recording and retention requirements;
- (7) Appropriate funds as a grant-in-aid to each county for the purchase of body-worn video cameras and vehicle cameras; provided that no funds appropriated to a county shall be expended unless matched dollar-for-dollar by the county;
- (8) Appropriate funds to the Department of Public Safety for the purchase of body-worn cameras and vehicle cameras for state law enforcement officers; and
- (9) Require the county police departments to report costs of implementing and maintaining the body-worn camera and vehicle camera program to the Legislature.

Your Committees received testimony in support of this measure from the Office of Information Practices, American Civil Liberties Union of Hawai'i, State of Hawaii Organization of Police Officers, and fourteen individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources; Department of Public Safety; Police Department, County of Hawai'i; The Civil Beat Law Center for the Public Interest; and one individual. Your Committees received comments on this measure from The Sex Abuse Treatment Center.

Your Committees find that an increasing number of jurisdictions are addressing the issue of body-worn cameras and vehicle cameras being used by law enforcement officers. Body-worn cameras and vehicle cameras are useful for collecting evidence by police officers for use in court, as well as resolving incidents of alleged misconduct by officers. Implementation of this measure will increase public safety and assist law enforcement agencies with training, assessment, and disciplinary decisions.

Your Committees have amended this measure by:

- (1) Deleting references to "vehicle cameras" to limit the scope to body-worn cameras only;
- (2) Deleting an appropriation to the Department of Public Safety for the purchase of body-worn cameras and vehicle cameras for state law enforcement officers;
- (3) Inserting an effective date of January 7, 2059, 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 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. 421, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 421, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Wakai).

SCRep. 868 Ways and Means on S.B. No. 1229

The purpose and intent of this measure is to exempt proceedings that relate to parking violations under applicable administrative rules from the exclusive, original jurisdiction of the environmental courts.

The Department of Land and Natural Resources submitted written comments in support of this measure.

Your Committee finds that many parking violations do not directly or severely impact the State's natural or cultural resources. Therefore, this measure will allow those violations to be more easily and efficiently processed through the district courts or the Traffic Violations Bureau of the First Circuit, rather than the environmental courts. Your Committee notes that, under this measure, parking violations that may impact the State's natural or cultural resources will still be prosecuted in the environmental courts. Your Committee therefore believes that this measure will alleviate the burden placed on the environmental courts, while also allowing those courts to focus resources on cases likely to have an environmental impact.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1229 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 869 Ways and Means on S.B. No. 1183

The purpose and intent of this measure is to make various amendments to the county surcharge on state tax, income tax law, and general excise and use taxes.

More specifically, this measure contains several parts that do the following:

- (1) Part I:
 - (A) Authorizes counties that have established a surcharge on state tax prior to July 1, 2015, to extend the surcharge in perpetuity;
 - (B) Authorizes counties that have not established a surcharge by July 1, 2017, to establish a surcharge on state tax;
 - (C) Provides that the State shall retain an unspecified portion of surcharge proceeds for the Department of Taxation; and
 - (D) Requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis;
- (2) Part II:

- (A) Establishes an income tax credit that reduces the tax liability for low-income taxpayers;
 - (B) Authorizes all counties to establish a 0.5 per cent surcharge on state tax prior to July 1, 2018;
 - (C) Eliminates the automatic expiration date for adopted county surcharges on state tax;
 - (D) Provides that the State shall retain an unspecified portion of surcharge proceeds for deposit into the state highway fund;
 - (E) Requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis; and
 - (F) Specifies how the county surcharges collected shall be allocated among the counties that have adopted the surcharge;
- (3) Part III:
- (A) Authorizes counties that have established a surcharge on state tax prior to July 1, 2015, to extend the surcharge to December 31, 2032; provided that the Hawaii Community Development Authority transfers specified parcels to the City and County of Honolulu and the City and County of Honolulu meets other requirements by December 31, 2027;
 - (B) Repeals parts I and III of the measure on January 1, 2028, if the requirements are not met;
 - (C) Authorizes counties that have not established a surcharge on state tax by July 1, 2017, to establish a surcharge; and
 - (D) Provides that an unspecified percentage of the surcharge shall be used by the Department of Transportation for transit oriented development and infrastructure improvement; and
- (4) Part IV:
- (A) Increases the general excise and use taxes from four per cent to four and one-half per cent;
 - (B) Specifies that for an unspecified time period, beginning on January 1, 2019, an unspecified amount of the additional revenues shall be transferred to any county that adopted a surcharge on state tax; provided that such county matches half of the transferred funds;
 - (C) Limits the expenditures allowed by a county receiving additional tax revenue to capital costs for a mass transit project and compliance with the Americans with Disabilities Act;
 - (D) Requires any county who receives additional tax revenue to report to the Legislature annually on revenues and expenditures;
 - (E) Specifies that an unspecified amount of the additional revenues shall be used by the State for education, the Department of Transportation, affordable housing, and elderly programs and services; and
 - (F) Repeals the county surcharge on state tax on January 1, 2019.

Your Committee received testimony in support of this measure from the Department of Transportation, a member of the Kauai County Council, The Chamber of Commerce Hawaii, General Contractors Association of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, Hawaii Regional Council of Carpenters, Hawaii State AFL-CIO, ILWU Local 142, Kapolei Chamber of Commerce, Land Use Research Foundation of Hawaii, Pacific Resource Partnership, and three individuals.

Your Committee received testimony in opposition to this measure from Financial Accountability for Rail Mass Transit Association, Friends of Makakilo, Ho'omana Pono, LLC, House District 41 of the Hawaii Republican Party, Kanehili Cultural Hui, and twenty-five individuals.

Your Committee received comments on this measure from the Department of Budget and Finance, Department of Taxation, Honolulu Authority for Rapid Transportation, Tax Foundation of Hawaii, and one individual.

For purposes of a public hearing, your Committee circulated a proposed S.D. 2 (Proposed Draft) of the measure and notified the public that your Committee would be accepting testimony on the Proposed Draft, which amends the measure by replacing its contents with provisions to amend the county surcharge on state tax and address the funding of the City and County of Honolulu's rail transportation project.

More specifically, the Proposed Draft:

- (1) Repeals the requirement that ten per cent of revenues from the county surcharge on state tax be withheld to reimburse the State for administrative costs; provided that an ordinance that allows the capital costs of the rail transportation project to be paid from county funds is adopted prior to December 31, 2017; and
- (2) Requires the Mayor of the City and County of Honolulu to submit certain plans and reports to the Legislature with respect to the funding of the rail transportation project.

Your Committee received testimony in support of the Proposed Draft from The Chamber of Commerce Hawaii, Financial Accountability for Rail Mass Transit Association, General Contractors Association of Hawaii, Hawaii Regional Council of Carpenters, and two individuals.

Your Committee received testimony in opposition to the Proposed Draft from the Kanehili Cultural Hui, Land Use Research Foundation of Hawaii, and four individuals.

Your Committee received comments on the Proposed Draft from the Department of Budget and Finance, Department of Transportation, the Mayor of the City and County of Honolulu, Honolulu City Council, Honolulu Authority for Rapid Transportation, and one individual.

Your Committee finds that only the City and County of Honolulu has established the county surcharge on state tax as authorized by section 46-16.8, Hawaii Revised Statutes, to fund a rail transportation project. Your Committee also finds that repealing the requirement that ten per cent of the surcharge revenues be withheld to reimburse the State for administrative costs incurred for the assessment, collection, and disposition of the county surcharge would provide more surcharge revenues to fund the construction costs of the rail transportation project. Your Committee further finds that, if the City and County of Honolulu is charged with controlling the construction cost of the rail transportation project, the additional surcharge revenues will be sufficient to cover project costs.

Your Committee has amended this measure by adopting the Proposed Draft.

In passing the Proposed Draft, it is not the intent of your Committee for the City and County of Honolulu to increase real property tax rates as a means of financing construction. As was discussed, and it is still our belief, given increased valuations or by tapping into the range of county funds available that existing resources could be bonded, public-private partnerships should be aggressively explored, or the active use of existing statutory tools under chapter 46, Hawaii Revised Statutes, should be vetted to ensure all financing options to complete the project without further taxing the taxpayer have been explored.

As affirmed by the record of votes of the members of your Committee on Ways and Means 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, 8; Ayes with Reservations (Riviere, Taniguchi). Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 870 Ways and Means on S.B. No. 804

The purpose and intent of this measure is to increase the amount of pesticide use revolving fund moneys the Department of Agriculture can maintain to ensure the Department has the necessary funds available to carry out its statutory mandate.

Your Committee received written comments in support of this measure from the Department of Agriculture, Western Plant Health Association, Hawaii Farm Bureau, Hawaii Crop Improvement Association, CropLife America, Hawaii Cattlemen's Council, and one concerned individual.

Your Committee finds that increasing the cap on the amount of moneys that can be maintained in the pesticide use revolving fund will increase the ability of the Department of Agriculture to conduct much needed training and outreach to ensure pesticides are not misused, and to meet the increased demands for assistance in the disposal of pesticides and pesticide containers, as well as supplement the Department's environmental studies, such as groundwater reviews and water sampling activities.

Your Committee notes that section 149A-13.5(e), Hawaii Revised Statutes, currently allows the pesticide revolving fund to maintain up to \$250,000 in unobligated, unencumbered, and unexpended funds. As received by your Committee, this measure proposed to increase this ceiling to \$1,000,000.

Your Committee has amended this measure by:

- (1) Changing the amount of unobligated, unencumbered, or unexpended funds that can remain in the pesticide use revolving fund from \$1,000,000 to an unspecified sum; and
- (2) Changing the effective date to March 9, 2092, 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. 804, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 804, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 871 Ways and Means on S.B. No. 207

The purpose and intent of this measure is to amend the laws relating to public employment leave policies.

Specifically, the measure:

- (1) Establishes a shared leave program within the Department of Human Resources Development to allow state employees to donate accumulated sick leave and vacation leave credits to a shared leave bank or directly to another state employee who has a serious personal illness or injury or who has a family member who has a serious personal illness or injury; and
- (2) Allows an employee's designation of beneficiary form to be filed with the department where the employee was employed and permits the designation to be made through a statement that is not verified or written if any employee dies with accumulated leave.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association and one individual. Your Committee received written comments in support of part II of this measure from the Department of Accounting and General Services.

Your Committee received written comments in opposition to this measure from the Department of Human Resources Development.

Your Committee received written comments on part I of this measure from one individual.

Your Committee finds that although the Hawaii Revised Statutes currently authorize state departments to establish shared leave programs, they are not required to do so, and that existing shared leave programs do not allow a state employee to receive donated leave from fellow state employees who are employed by a different state department or agency.

Your Committee believes that each executive department, the Judiciary, and the Legislature should be required to establish a shared leave program and that a state employee should not be precluded from sharing leave with an employee of a state department or agency other than the one in which the sharing employee is employed. The chief executive of a county should also be authorized, but not required, to establish a leave sharing program for employees of that county.

Your Committee also believes that it is better to address these issues by amending existing provisions of the Hawaii Revised Statutes than by creating an entirely new statutory section.

Your Committee has amended this measure by:

- (1) Deleting the language of part I, which created a new statutory section to establish a leave sharing program within the Department of Human Resources Development; and
- (2) Replacing the new section in part I with provisions that amend section 78-26, Hawaii Revised Statutes, to:
 - (A) Require each state government branch to establish a shared leave program;
 - (B) Authorize the chief executive of a county to establish a shared leave program for county employees; and
 - (C) Preclude a state government branch from prohibiting leave sharing between different departments or bargaining units because of administrative infeasibility.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 207, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Galuteria).

SCRep. 872 (Majority) Ways and Means on S.B. No. 249

The purpose and intent of this measure is to amend the Employees' Retirement System benefit structure for judges by:

- (1) Specifying that a member who first earned credited service as a judge after June 30, 2017, and has at least ten years of credited service and attained age sixty, or has at least twenty-five years of credited service and has attained age fifty-five, is eligible to receive a pension after retirement; and
- (2) Reducing the percentage of average final compensation used to calculate the retirement allowance for a member who first earned credited service as a judge after June 30, 2017, from three percent to two percent.

Your Committee received written comments in opposition to this measure from the Judiciary, Young Lawyers' Division of the Hawaii State Bar Association, Hawaii State Trial Judges Association, State of Hawaii Organization of Police Officers, and two individuals.

Your Committee has amended this measure by:

- (1) Removing section 1 of the measure because the amendments in that section--which specify that a member who first earned credited service as a judge after June 30, 2017, and has at least ten years of credited service and attained age sixty, or has at least twenty-five years of credited service and has attained age fifty-five, is eligible to receive a pension after retirement--are redundant of what is already provided in section 88-73(b), Hawaii Revised Statutes;
- (2) Clarifying that the two per cent of average final compensation used to calculate a retirement allowance applies to a member who first earned credited service as a judge after June 30, 2012, but before July 1, 2017;
- (3) Consolidating the amendments made to consecutive subsections of section 88-74, Hawaii Revised Statutes;
- (4) Adding conforming language to contrast the retirement allowance of a member who first earned credited service as a judge prior to July 1, 2017, with the retirement allowance of a member who first earned credited service as a judge after June 30, 2017;
- (5) Replacing an erroneous reference to "credit service" with "credited service" in the amendments to section 88-74(h)(3), Hawaii Revised Statutes; and
- (6) 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. 249, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 249, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 3 (Harimoto, Riviere, Taniguchi). Excused, none.

SCRep. 873 Ways and Means on S.B. No. 334

The purpose and intent of this measure is to increase voter participation by reforming Hawaii's elections laws.

Specifically, the measure:

- (1) Requires all elections statewide to be conducted by mail, beginning with the 2020 primary election;

- (2) Establishes an election by mail system, including requirements for ballots, replacement ballots, the return of ballots submitted in a deficient manner, the electronic transmission of ballots under certain conditions, ballot counting, and election expenses and responsibilities;
- (3) Establishes voter service centers that would remain open from the tenth business day preceding an election through the day of the election to receive personal delivery of ballots, accommodate voters with special needs, offer same-day registration and voting, and provide other election services;
- (4) Authorizes additional places of deposit for the personal delivery of mail-in ballots;
- (5) Makes conforming amendments to existing elections law to reflect and implement the foregoing provisions of this measure;
- (6) Provides that in the case of a tie between two or more candidates, the tie shall be decided by lot;
- (7) Extends the deadline by which a candidate in a primary or special primary election contest or county election contest held concurrently with a regularly scheduled primary or special primary election must file a complaint to contest the election from the sixth day after the election to the thirteenth day after the election;
- (8) Appropriates funds for the preparation, implementation, and administration of the elections by mail; and
- (9) Requires the Office of Elections to submit a report to the Legislature before the convening of each Regular Session from 2019 to 2023 regarding the implementation and administration of the election by mail program.

Your Committee received testimony in support of this measure from the Office of Elections; the Office of the City Clerk, City and County of Honolulu; the Office of the County Clerk, County of Maui; Hawaii Kai Neighborhood Board No. 1; Americans for Democratic Action; League of Women Voters of Hawaii; Common Cause Hawaii; and four individuals.

Your Committee received written comments on this measure from the Office of the County Clerk, County of Kauai.

Your Committee finds that an increasing number of Hawaii voters are already submitting their votes by mail. For example, in 2016, the number of votes cast before election day exceeded the number of votes cast at polling places on election day, except in one county. Your Committee believes that Hawaii's conversion to elections by mail would significantly reduce the logistical issues related to conducting elections at polling places.

Your Committee has amended this measure by:

- (1) Inserting language to provide that any election before the 2020 primary election may be conducted by mail, in whole or in part, as determined by the chief election officer for state or federal elections or the county clerk for county elections;
- (2) Repealing language that would have had the inadvertent effect of requiring any person registering to vote at a voter service center before or on election day to affirm that the person will not vote in that election; and
- (3) Inserting language to clarify that only the chief election officer or a designee of the chief election officer may authorize the removal of a ballot from a voter service center.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 334, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 334, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 874 Ways and Means on S.B. No. 410

The purpose and intent of this measure is to clarify the scope of collective bargaining negotiations regarding the rights and obligations of a public employer.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association, Hawaii State Teachers Association, University of Hawaii Professional Assembly, and one individual.

Your Committee received written comments in opposition to this measure from the Department of Education, the Department of Human Resources Development, the Office of Collective Bargaining, University of Hawaii System, and the County of Hawaii Office of the Mayor.

Your Committee finds that while a public employer has the right to manage the work of employees, employees also have a right to a workplace free from health and safety risks. Your Committee further finds that clarifying the permissible subjects of collective bargaining agreements will help to ensure that negotiations are conducted in a fair and equitable manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 410, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 875 (Majority) Ways and Means on S.B. No. 658

The purpose and intent of this measure is to establish the Hawaii Airport Corporation to consolidate the ownership, control, and management of the state airport system.

Your Committee received written comments in support of this measure from the Department of Transportation Airports Division, Chamber of Commerce Hawaii, Airlines Committee of Hawaii, Enterprise Holdings, Kona-Kohala Chamber of Commerce, Airport Concessionaires Committee, Hawaiian Airlines, and Maui Hotel and Lodging Association.

Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs.

The Department of the Attorney General, Department of Budget and Finance, and Hawaii Tourism Authority submitted written comments on this measure.

Your Committee finds that the development, management, and operation of the state airport system is distributed among several state departments, some of which have conflicting goals and priorities. This has resulted in delayed decision-making, inefficient control, and airports that require extensive renovation to become world-class facilities. Your Committee further finds that consolidating management of the state airport system into a singular and independent state entity will help maximize the airports' contribution to the State, improve global access to Hawaii, and simplify the process for making improvements to airport infrastructure.

Your Committee has amended this measure by:

- (1) Requiring that the Governor appoint all the members of the Hawaii Airport Corporation Board of Directors pursuant to section 26-34, Hawaii Revised Statutes;
- (2) Requiring the appointment of the Chief Executive Officer of the Hawaii Airport Corporation be made by a majority of the members of the Board of Directors;
- (3) Requiring that the terms of employment for the Chief Executive Officer shall include terms for the removal of the Chief Executive Officer with cause and without cause;
- (4) Requiring that the salary of the Chief Executive Officer shall not exceed any Deputy Director of Transportation;
- (5) Specifying that the Chief Executive Officer may appoint one deputy executive officer;
- (6) Providing that the employees of the Hawaii Airport Corporation shall be subject to chapters 76 and 89, Hawaii Revised Statutes;
- (7) Deleting the provision exempting the Corporation from chapter 103D, Hawaii Revised Statutes;
- (8) Authorizing, rather than mandating, the Corporation to make improvements on airports and clarifying that this authority applies to airports controlled by the Corporation and to facilities on land controlled by the Corporation;
- (9) Deleting the provision authorizing the Corporation to arrange or initiate actions regarding roads and related infrastructure;
- (10) Deleting the provision authorizing the Corporation to engage in economic development programs;
- (11) Making the Corporation's authority to allot funds and issue bonds subject to legislative authorization and approval;
- (12) Adding provisions to change the terms "department of transportation" and "director of transportation" to corresponding terms of the Corporation;
- (13) Deleting the provision exempting the Corporation from the policies of the Department of Human Resources Development regarding the creation of new positions;
- (14) Deleting the provision authorizing the Corporation to create new employee classifications;
- (15) Changing the effective date to December 16, 2099, to facilitate further discussion on the measure; and
- (16) 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. 658, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 658, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Taniguchi). Excused, 1 (Dela Cruz).

SCRep. 876 Ways and Means on S.B. No. 141

The purpose and intent of this measure is to support physician workforce assessment and planning.

More specifically, this measure aids the strategic recruitment and retention of physicians for rural and medically underserved areas of the State by allowing the University of Hawaii John A. Burns School of Medicine to continue receiving revenues from the physician workforce assessment fee until June 30, 2022.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, University of Hawaii John A. Burns School of Medicine, East Hawaii Region of Hawaii Health Systems Corporation, Lanai Community Health Center, Hawaii Area Health Education Center, Hawaii Pacific Health, Kaiser Permanente, Hawaii Island Rural Health Association, The Queen's Health Systems, Hawaii Medical Association, Hawaii Academy of Family Physicians, International Longshore and Warehouse Union Local 142, Hilo Medical Center Foundation, and nineteen individuals.

The Hawaii Medical Board and one individual submitted written comments on the measure.

Your Committee finds that Hawaii's physician shortage is compounded by having the fifth oldest physician workforce in the country. The Hawaii Physician Workforce Assessment Program attempts to address this shortage through research on the supply and

demand of physicians in the State, interventions to recruit physicians, and identifying and implementing ways to increase career satisfaction among practicing physicians. The program receives a portion of the revenues generated by the physician workforce assessment fee to fund its efforts.

Your Committee finds that extending the fee assessment's sunset date will help support the State's efforts to act rapidly on tangible solutions to adequately address the physician workforce shortage and the ongoing need for a strong physician workforce.

Your Committee has amended this measure by changing the effective date to March 9, 2092, 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. 141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 141, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Taniguchi, Wakai).

SCRep. 877 Ways and Means on S.B. No. 628

The purpose and intent of this measure is to promote the timely appointment of individuals to vacancies on boards and commissions.

Specifically, this measure:

- (1) Requires department heads to report to the Governor any vacancies on boards and commissions that are placed in or administratively attached to their respective departments;
- (2) Requires the Special Advisor for Technology Development to assist the Governor in establishing and updating a list of all boards and commissions consisting of the names of the various appointees, current vacancies, legal authorities, terms, and other related information;
- (3) Requires outgoing governors to fill board and commission vacancies and provide an up-to-date list of all boards' and commissions' memberships, terms of service, and any pending vacancies to the governor-elect; and
- (4) Appropriates an unspecified amount of funds for one full-time equivalent (1.0 FTE) position to manage the listing of information on all state boards and commissions.

Your Committee received written comments on measure from the Department of Taxation.

Your Committee finds that there are over one-hundred seventy state boards and commissions, each with its own specific membership requirements. Your Committee further finds that establishing a listing of the various state boards and commissions will help highlight current and upcoming vacancies so that the Governor may make timely nominations and appointments for those positions and allow the Senate and the public at large to thoroughly vet each nomination.

Your Committee has requested that the Governor provide the next Committee that hears this measure with the cost of the full-time equivalent (1.0 FTE) position requested by this measure along with the current staffing status of the employees assigned to address the backlog of vacant memberships on boards and commissions.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 628, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 628, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 878 Ways and Means on S.B. No. 617

The purpose and intent of this measure is to promote the development of careers in science, technology, engineering, and math fields.

More specifically, this measure:

- (1) Establishes a research and technology grant program for the High Technology Development Corporation to provide grants for research and technology companies in Hawaii;
- (2) Specifies requirements for the grants;
- (3) Requires the Corporation to submit biennial reports to the Legislature on the grants awarded; and
- (4) Appropriates funds for the grants.

Your Committee received written comments in support of this measure from the Chamber of Commerce Hawaii, the High Technology Development Corporation, and Navatek. Your Committee received written comments on this measure from the State Procurement Office.

Your Committee finds that careers in the science, technology, engineering, and math fields are some of the fastest-growing professions. However, these careers are not growing in Hawaii as fast as in other parts of the world. Your Committee further finds that providing grants to research and development companies will help to strengthen Hawaii's technology sector and achieve the High

Technology Development Corporation's vision of creating eighty thousand new innovation jobs in Hawaii that pay salaries of \$80,000 or more, by the year 2030.

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 amendment for clarity.

Your Committee notes that this measure was introduced with a blank appropriation. Your Committee advises proponents of this measure to submit to subsequent Committees that hear this measure the appropriation amount deemed necessary for the successful implementation of this 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. 617, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 617, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 879 Ways and Means on S.B. No. 1290

The purpose and intent of this measure is to amend the allocation of transient accommodations tax revenues.

More specifically, this measure:

- (1) Reorganizes the priority of allocations of transient accommodations tax revenues;
- (2) Repeals the requirement that a certain amount of the allocation of transient accommodations tax revenues to the tourism special fund from July 1, 2012, to June 30, 2015, be used for the development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii; and
- (3) Amends the amount of transient accommodations tax revenues allocated to the counties from a flat dollar amount to forty-five per cent of the revenues remaining after all other allocations have been made.

Your Committee received written comments in support of this measure from the City and County of Honolulu, the Mayor of the County of Hawaii, a member of the Hawaii County Council, a member of the Maui County Council, Hawaii State Association of Counties, Maui Hotel and Lodging Association, and ten individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance, Tax Foundation of Hawaii, and one individual.

Your Committee finds that, beginning after the current fiscal year, the amount of transient accommodations tax revenues allocated to the counties will be \$93,000,000 per fiscal year. Increasing this amount to \$108,000,000 would represent an increase of \$15,000,000 per fiscal year to the counties. The City and County of Honolulu would receive 44.1 per cent of this increase, which equals \$6,615,000 annually.

Your Committee also finds that, according to information provided to your Committee's Chair by the City and County of Honolulu, \$6,615,000 could pay for debt service of between \$59,000,000 and nearly \$70,000,000 of general obligation bonds. These general obligation bonds could be issued to cover cost overruns for the city's rail transportation project. Your Committee notes that all counties, including Honolulu, may expend their portion of transient accommodations tax revenues for any purpose. Therefore, if the rail transportation project does not need to use this contingency funding source, the City and County of Honolulu may use the additional transient accommodations tax revenues for any other public purpose.

Your Committee has amended this measure by:

- (1) Restoring the order of priority for the allocations of transient accommodations tax revenues to that which exists under current law;
- (2) Amending the amount of transient accommodations tax revenues allocated to the counties from forty-five per cent of the remaining revenues to \$108,000,000 per fiscal year;
- (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.

Your Committee notes the measure's effective date is intended to be reconsidered, depending on developments with S.B. No. 1183, S.D. 2, pertaining to the county surcharge on state tax and funding of the City and County of Honolulu's rail transportation project. Your Committee would also like to emphasize that, despite discussing the possible uses of transient accommodations tax revenues in its findings, your Committee is not dictating to the City and County of Honolulu how to use additional transient accommodations tax revenues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1290, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1290, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 880 Ways and Means on S.B. No. 1059

The purpose and intent of this measure is to assist small businesses in the State in obtaining state contracts by creating an initiative that is dedicated to supporting small businesses.

Your Committee received written comments in support of this measure from the State Procurement Office, Small Business Regulatory Review Board, State Office of Veterans Services, Chamber of Commerce Hawaii, Native Hawaiian Chamber of Commerce, AMEL Technologies, Inc., Pelatron Center for Economic Development, Native Hawaiian Organizations Association, RMA Sales, and one individual.

Your Committee finds that small businesses are a critical sector of the State's economy. The Legislature has in the past attempted to establish positions and programs to assist the State's small businesses, but these efforts were unsustainable. Your Committee finds that one reason previous efforts have failed to generate positive change is a lack of accurate information about the support that small businesses need, specifically in the case of applying for and obtaining state contracts.

Accordingly, your Committee believes that establishing and funding an initiative that incrementally identifies, quantifies, and addresses the needs of small businesses in the State will provide the foundation necessary for a long-term small business assistance strategy in the State.

Your Committee has amended this measure by:

- (1) Changing the appropriated sums of \$330,000 for small business assistance staff and \$375,000 to contract with a small business to provide services as the State's small business office to unspecified amounts;
- (2) Changing the full-time equivalent position count to an unspecified number; 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. 1059, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1059, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 881 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 686

The purpose and intent of this measure is to establish an education surcharge on residential investment properties and visitor accommodations, the proceeds of which would be deposited into a Quality Education Special Fund, subject to the ratification of a state constitutional amendment permitting the Legislature to establish the surcharge, for the purpose of funding public education.

Your Committees received written comments in support of this measure from the Hawaii Children's Action Network, Hawaii Public Charter School Network, Hawaii State Teachers Association, HE'E Coalition, Hydroponics Alternatives LLC, IMUAlliance, Parents for Public Schools of Hawaii, Special Education Advisory Council, and 3,904 individuals.

Your Committees received written comments in opposition to this measure from the Mayor of the County of Hawaii, Department of Finance of the County of Kauai, Chair of the Maui County Council, American Resort Development Association, BIA Hawaii, Condominium Rentals Hawaii, Chamber of Commerce Hawaii, Coalition for Equal Taxation, Hawaii Association of REALTORS, Hawaii Lodging and Tourism Association, Maui Chamber of Commerce, Maui Hotel and Lodging Association, Kohala Coast Resort Association, Rental By Owner Awareness Association, and thirteen individuals.

Your Committees received written comments on this measure from the Department of Education, Hawaii State Public Charter School Commission, Office of the Managing Director of the City and County of Honolulu, Tax Foundation of Hawaii, and two individuals.

Your Committees have amended this measure by:

- (1) Exempting from the education surcharge on residential and investment properties all residential property with an assessed value of less than \$2,000,000;
- (2) Changing the name of the Quality Education Special Fund to the Education Special Fund;
- (3) Clarifying that moneys in the Education Special Fund shall be used to develop and deliver instructional services to students in accordance with statewide educational policy;
- (4) Making the Board of Education, rather than the Superintendent of Education, responsible for enforcement; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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. 686, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 686, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ways and Means: Ayes, 9; Ayes with Reservations (Harimoto, Riviere, Taniguchi). Noes, none. Excused, 2 (Inouye, Wakai).
Judiciary and Labor: Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 882 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 683

The purpose and intent of this measure is to propose amendments to the Hawaii State Constitution that would allow the Legislature to establish a surcharge on residential investment property and visitor accommodations to fund a quality public education for the children of Hawaii.

Your Committees received written comments in support of this measure from the Hawaii State Teachers Association, He'e Coalition, IMUAlliance, Americans for Democratic Action Hawaii, Parents for Public Schools of Hawaii, Hawaii Public Charter Schools Network, Hawaii Children's Action Network, and 3,892 individuals.

Written comments in opposition were received from the Office of the Mayor of Hawaii County, Real Property Assessment Division of the Department of Finance of Kauai County, Chamber of Commerce Hawaii, Kohala Coast Resort Association, Rental By Owner Awareness Association, Hawaii Association of Realtors, Coalition for Equal Taxation, Condominium Rentals Hawaii, American Resort Development Association Hawaii, Maui Hotel and Lodging Association, Building Industry Association of Hawaii, Hawaii Lodging and Tourism Association, Maui Chamber of Commerce, and thirteen individuals.

The Department of Budget and Finance, Department of Education, Office of the Mayor of the City and County of Honolulu, Tax Foundation of Hawaii, and Special Education Advisory Council submitted written comments on the measure.

This measure, if passed by the Legislature, will place a question on the ballot for the next general or special election, as required by the Hawaii State Constitution for constitutional amendments, asking voters whether or not the Legislature may establish a surcharge on residential investment property and visitor accommodations to fund public education.

Your Committees have amended this measure by:

- (1) Deleting all references to the particular kind of education that the State provides to the children of Hawaii;
- (2) Deleting the proposed requirement in section 3 that the State must make sufficient sums available for public education; and
- (3) Amending the question to be printed on the ballot in section 4 to read: "Shall the legislature be authorized to establish, as provided by law, a surcharge on residential investment property and visitor accommodations to fund a public education for all of Hawaii's children?"

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. 683, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 683, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 9; Ayes with Reservations (Harimoto, Riviere, Taniguchi). Noes, none. Excused, 2 (Inouye, Wakai).

Judiciary and Labor: Ayes, 3; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 883 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 848

The purpose and intent of this measure is to expand the functions of the Hawaiian Language College at the University of Hawaii at Hilo.

Specifically, this measure:

- (1) Requires the Hawaiian Language College at the University of Hawaii at Hilo to be internally administered through the Hawaiian language and operate year round;
- (2) Requires the Hawaiian Language College to offer programs and courses through the Hawaiian language and to provide support of the use of the Hawaiian language;
- (3) Authorizes the Hawaiian Language College to offer programs worldwide and through electronic means;
- (4) Authorizes the University of Hawaii to establish a Hawaiian language pilot project to implement Hawaiian language instruction and develop new ideas, practices, and processes relative to Hawaii language medium education;
- (5) Requires the University of Hawaii to develop an implementation plan to address the system wide Hawaiian language goals in the report generated in response to S.R. No. 97, S.D. 1, Regular Session 2015; and
- (6) Requires the University of Hawaii to submit reports to the Legislature on efforts to implement education taught through the Hawaiian language, the status of the implementation plan, and the number of students pursuing education through the Hawaiian language.

Your Committees received written comments in support of this measure from the Office of Hawaiian Affairs; the Democratic Party of Hawaii, Hawaiian Affairs Caucus; Nawahiokalani'opu'u Iki LPCS; Hale Kuamo'o Hawaiian Language Center; 'Aha Punana Leo; Punana Leo o Waimea; Punana Leo o Maui; Punana Leo o Manoa; Punana Leo o Lahaina; Punana Leo o Koolau Poko; Punana Leo o Koolau Loa; Punana Leo o Kauai; Punana Leo o Honolulu; Punana Leo o Hilo; Punana Leo o Hana; Punana Leo o Molokai; Punana Leo o Kona; Punana Leo o Waianae; and thirty-six individuals.

Your Committees received comments in opposition to this measure from the University of Hawaii System, the Center for Hawaiian Sovereignty Studies, and Hawai'inuiakea School of Hawaiian Knowledge.

Your Committees received comments on this measure from Kamehameha Schools and one individual.

Your Committees find that legislative efforts to remove barriers to the use of Hawaiian as the medium of education began over three decades ago in 1986, and have since then led to Hawaiian medium program enrollment of more than three thousand students annually in K-12 public schools statewide. However, schools that teach through the Hawaiian language are experiencing a significant shortage

in qualified teachers. Your Committees further find that expanding the functions of the Hawaiian language programs, including providing for the instruction of liberal arts and general education courses through the Hawaiian language, will help to develop strong Hawaiian language proficiency in future teachers, which will help to address the current teacher shortage.

Your Committees have amended this measure by:

- (1) Specifying that the development of the implementation plan to address the system wide Hawaiian language goals shall involve the former working group created by S.R. No. 97, S.D. 1, Regular Session 2015, and community members;
- (2) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

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. 848, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 848, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Kahele, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 884 Ways and Means on S.B. No. 640

The purpose and intent of this measure is to establish and appropriate funds for a model project on land mauka of Makua beach for a coconut grove to be cultivated in accordance with Hawaiian traditional and customary gathering practices.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; Ho'omana Pono, LLC.; Hydroponics Alternatives LLC; 'Ai Pohaku, and ten individuals.

Your Committee received comments on this measure from Department of the Attorney General, Protectors of Paradise, and one individual.

Your Committee finds that the Makua beach section of Kaena Point state park has been subjected to years of abuse by illegal camping, bonfires, and dumping. Your Committee believes that establishing a model project for Hawaiian traditional and customary gathering practices near Makua beach will help to support restoration of the area and develop practices for future Hawaiian cultural projects.

Your Committee recognizes concerns expressed that this measure, as currently drafted, potentially violates Article XI, section 5, of the Constitution of the State of Hawaii by proposing a special law applicable to a specific portion of land, the land directly mauka of Makua beach. Accordingly, your Committee has amended this measure to be a general law, in compliance with the Constitution of the State of Hawaii, by removing the requirement that the model project be implemented at a specific location and inserting provisions authorizing the Department of Land and Natural Resources to select a site for the model project. Your Committee expressly intends that, by this amendment, the Department of Land and Natural Resources shall have full discretion to select the location for the model project, including the area mauka of Makua beach.

Your Committee has also 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. 640, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 640, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 885 Ways and Means on S.B. No. 714

The purpose and intent of this measure is to establish within the Department of Human Resources Development a supervisory and professional job shadowing pilot project for leadership and supervisory training.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee received comments on this measure from the Department of Human Resources Development and Hawaii Government Employees Association.

Your Committee finds that within the various departments of state government, the number of employees eligible for retirement is steadily increasing. Thus, there is an urgent need to prepare the next generation of employees to occupy positions vacated by retirees, especially at the supervisory level. Your Committee believes that the pilot program created by this measure will help to stabilize the state workforce and facilitate the transfer of essential skills and institutional knowledge.

Your Committee also finds that the Department of Human Resources Development should have broad authority to implement the supervisory and professional job shadowing pilot project, including the authority to make necessary temporary hires to perform the duties of an employee who is otherwise shadowing an incumbent of a supervisory position as part of the pilot project.

Your Committee has amended this measure by:

- (1) Correcting a reference to the number of employees within the Department of Human Resources Development who are eligible for retirement;

- (2) Authorizing the Department of Human Resources Development to establish temporary part-time positions that may be necessary when any current state employee, as part of the supervisory and professional job shadowing pilot project, shadows any incumbent of a supervisory position; provided that the temporary part-time positions shall either be:
- (A) Positions filled by current state employees to temporarily shadow incumbents; or
 - (B) Positions in which temporary employees perform the duties of current state employees who are temporarily shadowing incumbent supervisors; and
- (3) Clarifying that the appropriations provided by the measure are to fund the supervisory and professional job shadowing pilot project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 714, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 714, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Galuteria).

SCRep. 886 Ways and Means on S.B. No. 964

The purpose and intent of this measure is to provide the Department of Human Services with more flexibility in sheltering the homeless.

Specifically, the measure amends Act 234, Session Laws of Hawaii 2016, to provide the Department of Human Services with the discretion to determine partition space requirements for emergency homeless shelters with which the Department contracts for shelter services for homeless persons.

Your Committee received written comments in support of this measure from the Department of Human Services and the Governor's Coordinator on Homelessness.

Your Committee finds that the Legislature enacted Act 234, Session Laws of Hawaii 2016, to make the homeless shelter system more cost effective and more appealing to homeless families and individuals to enter shelters. Your Committee believes that homeless families and individuals cannot be forced into shelters, but must be provided with enough security, privacy, and sanitation facilities to encourage voluntary access. Your Committee also notes that Act 234 requires homeless shelter providers to comply with other standards, such as performance metrics. The administration apparently feels that homeless shelter providers need more time to transition into the new standards. Accordingly, your Committee finds that providing the Department with flexibility in determining which shelters will have partitioned spaces and more time to comply with Act 234 will allow the Department to more effectively address the problem of homelessness 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. 964, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 887 Ways and Means on S.B. No. 834

The purpose and intent of this measure is to establish an audiovisual conferencing system for use by the Legislature.

More specifically, this measure requires both chambers of the Legislature to adopt rules to establish procedures to enable neighbor island residents to present oral testimony at legislative committee hearings through the use of audiovisual technology.

Your Committee received written comments in support of this measure from Ulupono Initiative, Common Cause Hawaii, Hawaii Farmers Union United, Hawaii Government Employees Association, and two individuals.

Your Committee received written comments on this measure from the Disability and Communication Access Board.

Your Committee finds that it is often a severe financial hardship for neighbor island residents to actively participate in the legislative process. Your Committee recognizes that this measure is a necessary first step toward using remote testimony technology to allow more residents of the State to participate and have their voices heard, but also notes that there are both operational and technical issues that must first be worked through as the Legislature looks at implementing such a program. Your Committee believes that the appropriate next step is directing the Legislative Reference Bureau to do a feasibility study, including associated costs for the implementation of audiovisual technology in both chambers of the Legislature.

Your Committee has amended this measure by:

- (1) Replacing language that would establish an audiovisual program within both chambers of the Legislature with a provision requiring the Legislative Reference Bureau to conduct a study on the feasibility and costs associated with implementing such a program;
- (2) Making an unspecified appropriation to the Legislative Reference Bureau for the purpose of conducting the study; 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. 834, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 834, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Taniguchi, Wakai).

SCRep. 888 Judiciary and Labor on S.B. No. 288

The purpose and intent of this measure is to modernize the self-service storage facilities laws to:

- (1) Allow self-service storage facility owners to tow motor vehicles and boats after sixty or more days of delinquency; provided that owners provide delinquent occupants with appropriate notice;
- (2) Reflect the modern needs of the industry by allowing self-service storage facility owners to publish notices of sales and send other notices to occupants by electronic mail and other commercially reasonable methods;
- (3) Allow self-service storage facility owners to limit their liability to the maximum monetary value of property that may be stored pursuant to a rental agreement;
- (4) Require any late fees charged by self-service storage facility owners to be provided for in the rental agreement; and
- (5) Require self-service storage facility owners to notify occupants of the changes in this measure.

Your Committee received testimony in support of this measure from the National Self Storage Association. Your Committee received testimony in opposition to this measure from the Office of Consumer Protection, Department of Commerce and Consumer Affairs.

Your Committee finds that the State's self-storage facilities lien law has remained virtually unchanged since its enactment in 1984. This measure updates and clarifies Hawaii's self-storage lien laws.

Your Committee has amended this measure by:

- (1) Specifying that only a motor vehicle may be towed away at the expense of the owner of the vehicle pursuant to section 290-11, Hawaii Revised Statutes, because that section does not cover boats;
- (2) Clarifying that "verified mail" means any method of mailing that is offered by the United States Postal Service that provides evidence of the mailing or a private delivery service that provides evidence of the delivery of the document;
- (3) Inserting an effective date of January 7, 2059, 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. 288, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 288, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 889 Judiciary and Labor on S.B. No. 518

The purpose and intent of this measure is to require barber, beauty operator, and instructor licensees under the Board of Barbering and Cosmetology to complete a one-time, three-hour training program on intimate partner violence awareness and education.

Your Committee received comments on this measure from the Board of Barbering and Cosmetology and Domestic Violence Action Center.

Your Committee finds that intimate partner violence is prevalent in every community and affects people regardless of age, socioeconomic status, sexual orientation, gender, race, religion, or nationality. Professionals in the grooming and beauty industry may have a unique opportunity to notice signs of abuse in their clients. These professionals often enjoy close relationships with their clients, which can put a grooming or beauty professional in the position to provide advice, resource information, and assistance. By requiring a one-time, three-hour training program on intimate partner violence, this measure will enable more grooming and beauty industry licensees to recognize the signs of intimate partner violence and potentially direct their clients to much-needed resources. Your Committee notes that this measure applies only to barber, beauty operator, and instructor licensees and believes that expanding the scope to other professional licensees merits further discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Requiring the Department of Commerce and Consumer Affairs to develop the intimate partner violence awareness and education training program in coordination with a domestic violence intervention program, rather than the Hawaii State Coalition Against Domestic Violence; and
- (2) Inserting an effective date of January 7, 2059, 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. 518, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 518, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 890 Judiciary and Labor on S.B. No. 637

The purpose and intent of this measure is to authorize the counties through their employees or authorized agents to enter private property to control or eradicate invasive species and pests.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Agriculture; Office of the Mayor, County of Hawai'i; Office of the Mayor, County of Maui; Hawaii Association of REALTORS; Hawaii Cattlemens Council; The Hawaiian Electric Companies; and five individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that invasive species and pests are a persistent and real threat to the State. Invasive species and pests can swiftly and permanently alter the ecosystem of the State if not effectively eradicated. To ensure the rapid and complete removal of such species and pests, this measure allows the counties, through their employees or authorized agents, to have authority to enter onto private property when necessary to control or eradicate invasive species and pests.

Your Committee has amended this measure by:

- (1) Clarifying under section 194-5(a), Hawaii Revised Statutes, that the employees or authorized agents of a department or county may enter the premises to control or eradicate the invasive species after reasonable notice is provided to the owner of the property or pursuant to a court order; and
- (2) Inserting an effective date of January 7, 2059, 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. 637, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 637, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Rhoads).

SCRep. 891 Judiciary and Labor on S.B. No. 700

The purpose and intent of this measure is to amend the offense of cruelty to animals in the first degree to include certain indigenous birds that are not determined to be an endangered or threatened species under chapter 195D, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Conservation Council for Hawai'i, Hawaiian Humane Society, and twenty individuals.

Your Committee finds that the federal Endangered Species Act of 1973 and chapter 195D, Hawaii Revised Statutes, ensure the perpetuation of aquatic life, wild life, and land plants and their habitats by listing as endangered or threatened certain species of aquatic life, wild life, and land plants for protection and conservation. However, there are indigenous species, such as the Laysan albatross, that are not deemed endangered or threatened and thus are not afforded the same federal and state protections as those listed species. This measure affords legal protections for these unlisted indigenous birds.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of Land and Natural Resources that amends the definition of "indigenous bird" to include all indigenous birds in Hawaii, including birds that are endangered or threatened;
- (2) Establishing a separate criminal conduct under the offense of cruelty to animals in the first degree to prohibit the torturing, mutilation, or poisoning, or assisting another person in or causing the torturing, mutilation, or poisoning of two or more indigenous birds;
- (3) Inserting an effective date of January 7, 2059, 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. 700, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 700, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 892 Judiciary and Labor on S.B. No. 997

The purpose and intent of this measure is to update the Uniform Controlled Substances Act to make it consistent with amendments in federal controlled substances law as required under section 329-11, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Public Safety and one individual. Your Committee received comments on this measure from The Drug Policy Forum of Hawai'i and one individual.

Your Committee finds that this measure is necessary to make Hawaii's Uniform Controlled Substance Act under chapter 329, Hawaii Revised Statutes, consistent with changes to federal law and that these updates to Hawaii's Uniform Controlled Substances Act are in the interest of public health and safety.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 997, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 997, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 893 Judiciary and Labor on S.B. No. 1129

The purpose and intent of this measure is to enact a medical aid in dying act in Hawaii by establishing a regulatory process under which an adult resident of the State with a medically confirmed terminal disease may obtain a prescription for medication to be self-administered to end the patient's life.

Your Committee received testimony in support of this measure from the Hawaii State Center for Nursing; Women's Caucus of the Democratic Party of Hawaii; Hawaii Association of Professional Nurses; Democratic Party of Hawaii; Akamai Glass Company; American Civil Liberties Union of Hawaii; Americans for Democratic Action Hawaii; Chamber of Commerce of Persons with Disabilities; Compassion and Choices; Death with Dignity National Center; Filipino-American Advocacy Network; First Unitarian Church of Honolulu; Hawaii Advocates for Consumer Rights; Hawaii Death with Dignity Society; Hawaii Friends of Civil Rights; Ho'omana Pono, LLC; International Longshore and Warehouse Union, Local 142; LGBT First Caucus of the Democratic Party of Hawaii; Straub Clinic and Hospital; and approximately two hundred thirty individuals. Your Committee received testimony in opposition to this measure from the Hawaii Republican Party, American Nurses Association, Americans United for Life, Christian Counseling and Research Centers of America, Concerned Women for America of Hawaii, Hawaii Catholic Conference, Hawaii Family Forum, Hawaii Life Alliance, Hawaii's Partnership for Appropriate Compassion and Care, St. Francis Healthcare System of Hawaii, and seventy-five individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Health, and eight individuals.

Your Committee finds that medical aid in dying is a medical practice in which a mentally capable, terminally ill adult with six months or less to live may request a prescription for a medication that the terminally ill adult can self-administer to achieve death in a peaceful, humane, and dignified manner. While hospice and palliative care are widely available and may be an excellent option for some, care provided through these methods is still within the control of a health care provider, not a terminally ill patient who may wish for the freedom to make the patient's own end-of-life decisions.

Your Committee further finds that this measure is modeled after Oregon's groundbreaking Death with Dignity Act, which has been in effect for over twenty years and was enacted during a time when no other state authorized the medical practice of aid in dying. Since that time, other states, including California, Colorado, Vermont, and Washington, have evaluated Oregon's experience and have enacted similar legislation. Your Committee also finds that medical aid in dying is a safe and trusted practice. In the states that have authorized the practice, there has not been a single documented instance of coercion or abuse. The laws in these other states are working as intended. Furthermore, rather than posing a risk to patients or the medical profession, Oregon's Death with Dignity Act has galvanized significant improvements in the care of the state's terminally ill and dying.

Your Committee additionally finds that the availability of the option of medical aid in dying gives a terminally ill individual autonomy, control, and choice. Your Committee notes that this choice is the overwhelming motivational factor behind the decision to request assistance in dying. A terminally ill individual who seeks medical aid in dying may ultimately not choose to exercise this option; however, the mere availability of such a choice can bring comfort to people in their final days.

Your Committee further finds that any medical aid in dying legislation must include proper safeguards that prevent abuse and coercion. In order for any medical aid in dying option to truly be a choice, it must not be the only option. Accordingly, this measure includes numerous, strict safeguards that protect against abuse and coercion and promote choice. This measure also establishes strict eligibility criteria and guidelines that meet the highest standard of care for the medical practice of aid in dying, as described in clinical criteria published in the Journal of Palliative Medicine. Under this measure, to be eligible for aid-in-dying medication, adults must be terminally ill, with a prognosis of six months or less to live, and be mentally capable of making their own health care decisions. Importantly, this measure clearly states that no person shall qualify for medical aid in dying solely based on age or disability.

Your Committee notes that this measure includes advanced practice registered nurses in the role of attending providers and consulting providers for qualified patients. While an advanced practice registered nurse may be qualified to serve as an attending provider, your Committee is concerned that serving as a consulting provider may fall outside the practice scope of an advanced practice registered nurse.

Your Committee believes that a qualified patient should be afforded an opportunity to seek the assistance of a consulting provider who has not previously assumed responsibility for the care of the patient with the attending provider. This provides an additional safeguard to limit the possibility of collusion between providers during a patient's decision making process regarding the patient's end-of-life choices.

Your Committee notes that concerns may persist with respect to safeguards in this measure to ensure that a qualified patient's family is notified regarding the patient's decision to actually self-administer the medication as well as to dissuade the patient from taking the medication in a public place. Your Committee notes that these safeguards may be difficult to enforce, but that recommending notification to next of kin and counseling a patient not to self-administer the medication in a public place are both explicitly included in the attending provider's statutory responsibilities.

Lastly, your Committee believes that the Department of Health should retain and maintain the records of patients qualifying for and using medical aid in dying and that such records should not be disposed or destroyed. Furthermore, in addition to generating an annual statistical report to be made available to the public, your Committee believes that an annual report to the Legislature is necessary for the Legislature to track the implementation of the medical aid in dying act and address any problem areas legislatively, when appropriate.

Accordingly, your Committee has amended this measure by:

- (1) Deleting references to advanced practice registered nurses under the definitions of "consulting provider" and "counseling";

- (2) Amending the definition of "consulting provider" to clarify that a consulting provider shall not have previously assumed responsibility of the care of the patient with the attending provider;
- (3) Clarifying that a patient is a "qualified patient", when appropriate;
- (4) Clarifying that the two individuals who witness a qualified patient signing a request for medication shall attest to the best of their knowledge and belief that the qualified patient is of sound mind;
- (5) Clarifying that a person is disqualified from being a witness of a request for medication if that person would be entitled to any portion of the estate of the qualified patient upon death under any will, trust, or other legal instrument;
- (6) Clarifying that the death certificate of the qualified patient shall list the terminal disease as the immediate cause of death;
- (7) Clarifying that the minimum waiting periods shall be fifteen days between a qualified patient's initial oral request and the taking of steps to make available a prescription for medication, rather than the writing of a prescription; and forty-eight hours between the qualified patient's written request and the taking of steps to make available a prescription for medication, rather than the writing of a prescription;
- (8) Requiring the Department of Health to retain and exercise reasonable care in maintaining compliance information collected and that the information shall not be subject to any disposal or destruction of records requirements;
- (9) Inserting language that requires a person who has custody or control of any unused medication dispensed for the purposes of medical aid in dying after the death of the qualified patient to personally deliver the unused medication for disposal to the nearest qualified facility or lawfully dispose of the unused medication;
- (10) Adding the offenses of murder, manslaughter, negligent homicide, and any other criminal conduct under the law to clarify that any actions taken in accordance with the medical aid in dying act do not constitute these offenses;
- (11) Adding that good faith compliance with the medical aid in dying act shall not constitute harm, self-neglect, or abuse for any purpose of law or provide the sole basis for an appointment of a guardian or conservator;
- (12) Clarifying that for civil or criminal immunity, a person shall be participating or acting in good faith while a health care provider shall be acting, rather than participating, in good faith;
- (13) Clarifying that no health care facility shall be subject to civil or criminal liability for acting in good faith compliance with the medical aid in dying act including but not limited to the designation of a witness who has qualifications specified by the Department of Health when a qualified patient makes a written request when residing in a long-term care facility;
- (14) Replacing the mens rea element of willfully committing certain acts with intentionally committing those acts, under the criminal penalties section;
- (15) Adding language that requires the Department of Health to submit a report to the Legislature prior to each Regular Session that includes information about the implementation of the medical aid in dying act; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1129, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1129, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Kim). Noes, none. Excused, 1 (Gabbard).

SCRep. 894 Judiciary and Labor on S.B. No. 1298

The purpose and intent of this measure is to make available the opportunity to waive the one-year residency requirement for appointment to a county chief of police position.

Your Committee received testimony in support of this measure from the Honolulu Police Commission. Your Committee received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers and three individuals.

Your Committee finds that employing highly qualified law enforcement officers is essential for the health, safety, and welfare of the public. The need for highly-qualified individuals is especially important in law enforcement leadership positions. Given the difficulties in recruiting and retaining the best and most highly-qualified individuals for law enforcement leadership positions, it is important to remove barriers that further reduce the available pool of hireable individuals. Accordingly, this measure provides an exemption from the one-year state residency requirement for individuals appointed as the head of a county police department.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 1298, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1298, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 895 Ways and Means on S.B. No. 624

The purpose and intent of this measure is to require the Governor and the Department of Agriculture to develop a strategic plan outlining benchmarks to achieve the Governor's goal of doubling food production by 2020.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau.

Your Committee received written comments on this measure from the Department of Agriculture.

Your Committee finds that Governor Ige recently set the policy goal of doubling food production within the State by 2020. However, details for achieving this objective have yet to be provided. Your Committee recognizes that issues such as preserving agricultural land, identifying food crops for local production, and improving irrigation and agricultural infrastructure need immediate attention so that doubling food production can become a realistic objective. In addition, the federal Food Safety Modernization Act will have significant effects on local agriculture, and these implications must also be considered.

Your Committee has amended this measure by:

- (1) Making an appropriation to the Department of Agriculture of an unspecified sum for the development of a strategic plan; and
- (2) Changing the effective date to March 9, 2092, to facilitate further discussion on the measure.

Your Committee requests the Department of Agriculture to notify subsequent committees of the appropriation necessary to develop the strategic plan.

As affirmed by the record of votes of the members of your Committee 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, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 896 Ways and Means on S.B. No. 761

The purpose and intent of this measure is to appropriate moneys necessary to continue programs under the HI Growth Initiative.

Your Committee received written comments in support of this measure from the Natural Energy Laboratory of Hawaii Authority, High Technology Development Corporation, Hawaii Strategic Development Corporation, Chamber of Commerce Hawaii, Impact Hub Honolulu, Maui Chamber of Commerce, Fluid Studios, Referentia Systems, Inc., GVS Transmedia Accelerator, LLC, Hawaii Wild Side, LLC, Dev League, LLC, Global Net Productions, Inc., LifeNet Media Resources, Inc., Ring of Fire Films, Inc., Radial3D, Inc., Twenty20 Sound, Honua Studios, Tow Choice, Kapalya, Inc., Kite Kids, Inc., and fifteen individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that the State's economic future is dependent upon a diversification of the State's economy. The HI Growth Initiative was implemented in 2013 by the Hawaii Strategic Development Corporation to achieve the State's economic development objectives to transform and maintain Hawaii as a place that welcomes and facilitates economic activity. The Initiative has funded over sixty-five start-up businesses in Hawaii. In 2016, the Economic Research Organization at the University of Hawaii reported that the Initiative provided twelve times the leverage on state dollars.

Your Committee also finds that the Hawaii Strategic Development Corporation has not received any new funding since 2013 and, as a result, has not been able to develop new investments initiatives. The Corporation projects that, without additional funding, it will no longer be able to support the continued activities of its accelerator programs.

Your Committee further finds that a technicality prevented a previous appropriation of \$1,000,000 in the Supplemental Appropriations Act of 2016 for the HI Growth Initiative, from being expended.

Your Committee has amended this measure by:

- (1) Force lapsing the \$1,000,000 general fund appropriation for fiscal year 2016-2017 made in the Supplemental Appropriations Act of 2016 that could not be expended because of a technicality;
- (2) Providing a general fund appropriation of \$1,000,000 for fiscal year 2017-2018 for deposit into the Hawaii Strategic Development Corporation Revolving Fund; and
- (3) Making an appropriation of \$1,000,000 for fiscal year 2017-2018 out of the Hawaii Strategic Development Corporation Revolving Fund for the HI Growth Initiative.

Your Committee intends this means of providing \$1,000,000 for the HI Growth Initiative to be cost neutral for the financial plan.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 761, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 761, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 897 Ways and Means on S.B. No. 533

The purpose and intent of this measure is to appropriate funds for the Aging and Disability Resource Center.

Your Committee received written comments in support of this measure from the Executive Office on Aging, State Council on Developmental Disabilities, Hawaii Family Caregiver Coalition, Healthcare Association of Hawaii, Hawaii Pacific Health, Lanakila Pacific, Policy Advisory Board for Elder Affairs, ILWU Local 142, AARP Hawaii, and seven individuals.

Your Committee finds that the Aging and Disability Resource Center helps individuals and their families identify their long-term services and support needs based on a person-centered process. Your Committee recognizes that proper funding for the Aging and Disability Resource Center is essential to ensure the Center is an effective single point of entry for individuals seeking information about appropriate long-term care options.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated in fiscal years 2017-2018 and 2018-2019 from \$1,710,000 to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050.

Your Committee notes that it intends to consider placing the appropriation into the General Appropriations Act of 2017.

Your Committee also notes that consideration should be given to continued monitoring of and reporting on this program. Act 138, Session Laws of Hawaii 2016, included a reporting requirement for an evaluation of the effectiveness of the aging and disability resource centers in each county to ensure timely and efficient delivery of services to seniors and caregivers. These reporting requirements and additional calls for oversight and monitoring by the Executive Office on Aging was a direct result of complaints received due to delays in connecting some of the most vulnerable in our community with providers and services. Your Committee finds that the Executive Office on Aging submitted the report to the 2017 Legislature and, under Act 138, is required to submit another report to the 2018 Legislature. It should be determined if additional information is required, and if improvements to the program have been made.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 533, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 533, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 898 Ways and Means on S.B. No. 665

The purpose and intent of this measure is to address renewable energy tax incentives.

More specifically, this measure replaces the current income tax credit for renewable energy technology systems with tax credits for solar energy property, wind energy property, and energy storage property.

Your Committee received written comments in support of this measure from Amber Kinetics, Distributed Energy Resources Council of Hawaii, Ulupono Initiative, and three individuals.

Your Committee received written comments in opposition to this measure from the Department of Business, Economic Development, and Tourism.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the development of renewable energy is essential to meeting Hawaii's clean energy goals. Your Committee also finds that investment in energy storage is a crucial step in modernizing Hawaii's energy grid. Your Committee notes that energy storage technologies are not addressed by current state income tax incentives.

Your Committee has amended this measure by:

- (1) Amending the cap amounts of the tax credit with regard to energy storage property and wind energy property;
- (2) Clarifying that the tax credit shall not be authorized for taxable years ending after December 31, 2035;
- (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. 665, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 665, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 899 Ways and Means on S.B. No. 298

The purpose and intent of this measure is to provide students with the skills necessary to find jobs upon graduation.

Specifically, the measure prepares students for the workforce by:

- (1) Establishing a workforce readiness program within the Department of Education to enable students to graduate with a high school diploma and an industry-recognized associate's degree and give students opportunities to earn pre-apprenticeship certificates and other industry-recognized certificates, in addition to an associate's degree; and
- (2) Appropriating moneys for the purposes of the program, including the hiring of full-time employees.

The Department of Education submitted written comments in support of this measure. The University of Hawaii submitted written comments.

Your Committee finds that in spite of the fact that eighty-one percent of students graduate from high school, only fifty-six percent of Hawaii's public school graduates continued on to post-secondary education in 2015. Your Committee believes that this measure will lead to collaboration between educators and industrial employers, which will equip students both with education and career-ready skills necessary to meet industries' workforce needs.

Your Committee has amended this measure by:

- (1) Including only students in grades nine through twelve in the program;
- (2) Requiring each school designated for the workforce readiness program to also provide qualified courses under the dual credit program established pursuant to section 302A-401, Hawaii Revised Statutes;
- (3) Deleting a provision that would have authorized a workforce readiness program participant to attend public school through the age of twenty-two, provided that the person had not yet reached the age of twenty-two by the first instructional day of the school year; and
- (4) Changing its effective date to July 1, 2050, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 298, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Taniguchi). Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 900 Ways and Means on S.B. No. 499

The purpose and intent of this measure is to support the Hawaii Zero to Three Court by providing additional funding for staff positions and various services.

Your Committee received written comments in support of this measure from the Judiciary, Department of Human Services, American Academy of Pediatrics Hawaii Chapter, Hawaii's Early Childhood Action Strategy, Hawaii Family Support Institute, Hawaii Pacific Health, Family Programs Hawaii, Family Strengthening Center at Family Programs Hawaii, Hawaii Children's Action Network, Zero to Three, Parents and Children Together, and four individuals.

Your Committee finds that the Hawaii Zero to Three Court provides valuable structure and support for families and children in the court system that are involved with Child Welfare Services. The court and its resource networks help these families to establish safe, nurturing homes. The voluntary nature of this court program -- which emphasizes motivating families to participate, attain stability, and eventually shed their reliance on the courts or welfare system -- is what makes it unique in the child welfare system. The program's success is based on the limited number of families it serves at any given time, frequency of court hearings, availability of specialized services, and trust that is nurtured between the families, their case managers, and service providers.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts; and
- (2) Changing the effective date from July 1, 2017, to February 28, 2050,

to facilitate further discussion on the measure.

Your Committee notes that this measure originally appropriated a total of \$278,430 in general funds in each of fiscal years 2017-2018 and 2018-2019, as follows: \$80,930 for a program manager position; \$77,000 for a case manager position; \$7,000 for transportation costs for parents to visit children; \$35,000 for housing assistance; \$3,500 for a parent incentive program; \$21,000 for an evaluation of the program; \$18,000 for training and professional development; and \$36,000 for service contracts for visitation and parent coaching.

Your Committee respectfully requests that subsequent Committees to which this measure is referred consider whether this measure, or the Judiciary or Executive budgets, would be the more appropriate funding vehicle or vehicles for the Hawaii Zero to Three Court. Given the budgetary constraints of the State, your Committee finds that the various government entities serving children and families that participate in this court program must collaborate and share resources. They should not operate or provide services in isolation or without coordination.

As affirmed by the record of votes of the members of your Committee on Ways and Means 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, 8. Noes, none. Excused, 3 (Inouye, Taniguchi, Wakai).

SCRep. 901 Ways and Means on S.B. No. 657

The purpose and intent of this measure is to allow motor vehicle rental lessors to pass government assessed vehicle fees on to customers in the form of vehicle license recovery fees.

Specifically, this measure:

- (1) Defines the terms "government assessed vehicle fees" and "vehicle license recovery fee";

- (2) Changes the formula used to determine a lessee's pro rata share of vehicle fees and taxes from 1/365th of the total annual cost of fees and taxes per rental day to the total cost of those fees and taxes divided by the anticipated number of annual rental days for the vehicle; and
- (3) Requires lessors to inform lessees of all vehicle license recovery fees at the time the vehicle rental reservation is made and on the written rental contract.

Your Committee received written comments in support of this measure from the Chamber of Commerce Hawaii, Enterprise Holdings, and Avis Budget Group.

Your Committee received written comments in opposition to this measure from the Office of Consumer Protection.

Your Committee finds that the rental car industry is an essential part of Hawaii's tourism industry. Your Committee further finds that rental car companies may not recover all government fees assessed upon a rental car depending on the number of active rental days, which is why, according to testimony, thirty-eight states currently permit rental car companies to fully recover fees.

Your Committee has amended this measure by:

- (1) Deleting requirements that lessors inform lessees of vehicle license recovery fees at the time the vehicle rental reservation is made and in the written rental contract;
- (2) Deleting the new definitions of the terms "government assessed vehicle fees" and "vehicle license recovery fee";
- (3) Deleting the language that created a new formula for passing on the pro rata costs of government fees and taxes;
- (4) Changing the pro rata apportionment of the annual vehicle license and registration fee and weight taxes that may be passed on to customers from 1/365th to an unspecified amount;
- (5) Requiring the motor vehicle rental industry to report to the Legislature prior to the 2019 Regular Session concerning the effect of this measure on the average vehicle license recovery fee charged to each customer on each motor vehicle rental, the profit margin of each motor vehicle rental, and the actual time in service of each motor vehicle rental;
- (6) Defining the term "vehicle license recovery fee" for the purposes of the required report to the Legislature; and
- (7) Changing the effective date to March 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. 657, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 657, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 902 Ways and Means on S.B. No. 423

The purpose and intent of this measure is to prohibit schools from denying a student a meal solely for failure to pay.

More specifically, this measure prohibits denying a meal solely for failure to pay:

- (1) Within the first thirty days of the first semester of a school year while the student's application for free or reduced lunch is being processed; or
- (2) Within one week after a student's meal fund account reaches a zero or negative balance.

Your Committee received written comments in support of this measure from the Department of Education, Hawaii State Teachers Association, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Children's Action Network, and seventeen individuals.

Your Committee finds that forty-seven percent of public school students in Hawaii qualify for the Department of Education's free and reduced lunch program. Your Committee notes that gaps in coverage for students in the program can arise due to delays in processing applications or the financial situation of the student's family. Your Committee recognizes that chronically hungry students suffer significant hardships that can result in achievement gaps, loss of concentration, illness, increased absenteeism, behavioral problems, depression, and misdiagnosed learning disorders. Your Committee believes that this measure will ensure that students are not denied a meal solely for failure to pay due to delays in processing applications for free or reduced lunch or for temporarily low or negative meal fund account balances. This issue has been brought before the Legislature previously, and given the inconsistency in school-level policies as to how parents are informed of meal fund account balances and the point at which students are denied meals, your Committee believes statutory action is required.

Your Committee has amended this measure by:

- (1) Requiring the Department of Education to submit a report to the Legislature on the issue of students being denied a meal solely for failure to pay, which is to include:
 - (A) The number of meals that have been denied because of a zero or negative balance in a student's meal fund account;
 - (B) The number of students that have been denied a meal because of a zero or negative balance;
 - (C) The reasons for the zero or negative balance and subsequent meal denial;
 - (D) Steps the department is taking to make the process of paying for meals easier;
 - (E) Procedures for notifying parents of low or negative balances, including when and how they are notified; and

- (F) The standard operating procedure for low or negative balance notification and subsequent meal denial; and
- (2) Making technical nonsubstantive changes 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. 423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 423, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 903 Ways and Means on S.B. No. 1086

The purpose and intent of this measure is to promote a diversified economy in the State by encouraging film production.

More specifically, the measure:

- (1) Extends, for an additional five years, the enhanced incentives of the motion picture, digital media, and film production income tax credit that were enacted pursuant to Act 89, Session Laws of Hawaii 2013;
- (2) Clarifies that qualifying production costs are those costs incurred and expended within the State;
- (3) Specifies that taxpayers claiming the tax credit are required to prequalify for the credit, by registering with the Film Office of the Department of Business, Economic Development, and Tourism, and are required to obtain certification from the Film Office;
- (4) Specifies that the Department of Business, Economic Development, and Tourism reporting requirement regarding fiscal impact to the State entails reporting on those film productions receiving the tax credit;
- (5) Specifies that to qualify for the tax credit, a production must provide evidence of recognition, ability to understand, and efforts to respect and comply with cultural and environmental sensitivities in sensitive locations, including employing or contracting for the services of cultural resources or historical, cultural, or language experts to advise the production; and
- (6) Specifies that to qualify for the tax credit, a production must agree that if the production claims a credit of more than \$8,000,000, the production will provide an advanced screening of the finished product in the county of the island in which the majority of the production took place.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii State AFL-CIO; SAG-AFTRA Hawaii Local; I.A.T.S.E. Local 665; American Federation of Musicians' Local 677; Hawaii Teamsters & Allied Workers Local 996; Motion Picture Association of America; and ILWU Local 142.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the motion picture, digital media, and film production income tax credit is an effective means of creating jobs and stimulating and diversifying the State's economy. Filming in the State also helps promote Hawaii as a visitor destination. Your Committee believes that extending this tax credit for an additional five years will provide stability and the type of predictable economic conditions and incentives that promote continued growth of the industry in the State.

Your Committee has amended this measure by:

- (1) Establishing an annual aggregate cap of \$30,000,000 on the tax credit and allowing a taxpayer to claim the credit in a subsequent year if the aggregate cap has already been reached;
- (2) Clarifying that provisions in section 2 of the measure shall apply to taxable years beginning after December 31, 2017;
- (3) Providing that failure to submit a written, sworn statement identifying details of production costs, tax credits claimed, and local hiring may constitute a waiver of the right to claim the credit;
- (4) Making technical changes for clarity; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee finds that this measure is a work in progress, and intends to continue to give serious consideration to this issue along with other pertinent committees. Your Committee recognizes the importance of, and need for, economic diversification. However, your Committee also recognizes the need to control tax expenditures in order to preserve resources for public 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 S.B. No. 1086, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1086, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8; Ayes with Reservations (Taniguchi). Noes, none. Excused, 3 (Dela Cruz, Inouye, Wakai).

SCRep. 904 Ways and Means on S.B. No. 545

The purpose and intent of this measure is to create a temporary commission to plan for the thirteenth Festival of Pacific Arts to be held in Honolulu from June 11 to June 27, 2020.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; State Foundation on Culture and the Arts; the Hawaiian Affairs Caucus of the Democratic Party of Hawaii; Kalihi Palama Hawaiian Civic Club; Kamehameha Schools; and one concerned individual.

Your Committee finds that the Festival of Pacific Arts will place Hawaii in the spotlight, bringing attention to the State's creative arts economy while also providing the opportunity for cultural exchange to advance topics of global relevance. The festival will bring together delegations from approximately twenty-seven Pacific island nations for events, activities, and performances. By highlighting Hawaii's arts, culture, design, and music, the festival will help position the State as a hub of creative and cultural importance in the Pacific.

Your Committee has amended this measure by:

- (1) Including as a member of the commission a person with experience in cultural and international affairs, to be selected by the Secretariat of the Pacific Community;
- (2) Removing from the commission:
 - (A) The executive director of the PA'I Foundation; and
 - (B) The additional members who were to have been selected by the chairperson of the commission;
- (3) Providing that the commission shall select one of its members to serve as chairperson;
- (4) Removing the names of specific organizations from the provision requiring the commission to solicit funds from private and public sources;
- (5) Appropriating unspecified sums for fiscal years 2017-2018 and 2018-2019 to support the activities of the commission;
- (6) Requiring the commission to report to the Legislature on its annual activities no later than twenty days prior to the regular sessions of 2018, 2019, and 2020; and
- (7) Changing the effective date to April 20, 2041, 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. 545, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 545, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 905 (Majority) Ways and Means on S.B. No. 221

The purpose and intent of this measure is to improve traffic safety.

More specifically, the measure:

- (1) Establishes a photo red light imaging detector systems program to improve enforcement of traffic signal laws;
- (2) Authorizes counties to implement the photo red light imaging detector systems program;
- (3) Requires fines collected by a county under the photo red light imaging detector systems program to be deposited into a general fund account;
- (4) Authorizes the expenditure of funds from the general fund account to be expended, in the county in which the fine was collected, for the establishment, operation, management, and maintenance of a photo red light imaging detector system; and
- (5) Makes an appropriation for the photo red light imaging detector systems program.

Your Committee received written comments in support of this measure from the Department of Transportation, the Honolulu Police Department, the Mayor of the County of Hawaii, and Mothers Against Drunk Driving.

Your Committee received written comments on this measure from the Judiciary.

Your Committee finds that drivers who run a red light endanger the lives of pedestrians, motorists, and the drivers themselves. Photo red light imaging detector systems have proven to be effective in identifying and deterring red light runners in other jurisdictions in the United States, in Canada, and in countries in Europe and throughout the world.

Your Committee further finds that before a photo red light imaging detector systems program is implemented in this State, a Red Light Running Committee should be established by the Department of Transportation and should include participants from county police, prosecutors, and transportation officials. The Red Light Running Committee should review this measure prior to its implementation and submit a report to the Legislature regarding potential ways to improve the measure and its implementation.

Your Committee intends that the Red Light Running Committee be in effect from the July 1 preceding the effective date of the program provisions of parts III and IV of the measure as received by your Committee. Your Committee also intends that the Red Light Running Committee submit any proposed amendments to the program provisions to the Legislature before the Regular Session of 2018 that are deemed necessary to improve the program, as well as any requests for additional resources required to implement and effectuate the program. Your Committee further intends that the Legislature consider the recommended amendments and resource requests before the effective date of the program provisions.

Your Committee has amended this measure by:

- (1) Requiring the Department of Transportation to establish a Red Light Running Committee and to invite the participation of county police, prosecutors, and transportation officials;

- (2) Requiring the Red Light Running Committee to submit a report to the Legislature including any findings and recommendations, and any proposed legislation or amendments to this measure, no later than twenty days prior to the convening of the 2018 Regular Session;
- (3) Codifying the provisions pertaining to the Photo Red Light Imaging Detector Systems Program as a new chapter in the Hawaii Revised Statutes, rather than establishing the program in a temporary law; and
- (4) Changing the effective date of the program provisions to January 1, 2041, and making the provisions establishing the Red Light Running Committee effective July 1, 2040, 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. 221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 221, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (English). Noes, 1 (Riviere). Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 906 Ways and Means on S.B. No. 1178

The purpose and intent of this measure is to support the He'eia estuary as a National Estuarine Research Reserve.

More specifically, this measure appropriates funds to maintain the initial staff necessary to develop and manage He'eia Reserve and its programs.

Your Committee received written comments in support of this measure from the University of Hawaii, The Nature Conservancy, Kamehameha Schools, Ko'olau-poko Hawaiian Civic Club, and twelve individuals.

Your Committee received written comments on this measure from the Department of Land and Natural Resources, Office of Planning, and the Hawaii Community Development Authority.

Your Committee finds that the State has coordinated with the National Oceanic and Atmospheric Administration to nominate the He'eia estuary as a National Estuarine Research Reserve. The He'eia estuary was nominated as a Reserve in 2014, and on January 19, 2017, the estuary was officially designated as the twenty-ninth site in the National Estuarine Research Reserve System.

Your Committee further finds that funding for initial staffing is essential in order for the He'eia Reserve to succeed in its function within the National Estuarine Research Reserve System. Your Committee notes that designation as a Reserve enables federal funding to support the implementation of the management plan. According to federal regulations, the federal government matches state appropriations on a seventy percent (federal) to thirty percent (state) basis. Your Committee therefore recognizes the importance of providing state funds to support four full-time equivalent initial staffing positions. Although the appropriation in the original version of this measure was \$400,000, your Committee's Chair has received information that the actual amount needed may be less. According to the information, the range may be \$240,800 to \$326,900. Your Committee intends to consider including an appropriation in the general appropriations act for this purpose or, conversely, to use this measure as a vehicle to support these initial staffing positions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1178, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Dela Cruz, English, Kahele).

SCRep. 907 (Majority) Ways and Means on S.B. No. 501

The purpose and intent of this measure is to amend the statutory duties imposed on limited service pregnancy centers.

Specifically, the measure requires limited service pregnancy centers to:

- (1) Provide clients or patients with notice of the availability of, and enrollment information for, reproductive health services;
- (2) Follow privacy and disclosure requirements regarding individual records and information; and
- (3) Be subject to civil penalties and civil actions for violations.

Your Committee received written comments in support of this measure from the Hawaii State Commission on the Status of Women; American Association of University Women of Hawaii; American Congress of Obstetricians and Gynecologists Hawaii Section; Hawaii Women Lawyers; Hawaii Women's Coalition; Healthy Mothers Healthy Babies Coalition of Hawaii; LBGT Caucus of the Democratic Party of Hawaii; Planned Parenthood Votes Northwest and Hawaii; and twenty-two individuals.

Your Committee received written comments in opposition to this measure from Calvary Chapel Pearl Harbor; Concerned Women for America of Hawaii; Emmanuel Lutheran Church and Schools; Hawaii Catholic Conference; Hawaii Family Forum; Malama Pregnancy Center of Maui; A Place for Women in Waipio; The Pregnancy Center; and fifty-three individuals.

Your Committee received written comments on this measure from the Department of Human Services and four individuals.

Your Committee believes that when it comes to health care, everyone should have access to comprehensive, accurate, and unbiased information in a confidential setting. Especially for women and their reproductive health, timely information is critical in making informed decisions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 501, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, 2 (Harimoto, Riviere). Excused, 2 (Inouye, Wakai).

SCRep. 908 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 1084

The purpose and intent of this measure is to address the operations of the Hawaii Tourism Authority and the appointment process of certain members of its Board of Directors.

More specifically, this measure requires:

- (1) The Governor to appoint the six members to the Hawaii Tourism Authority Board of Directors for which the Governor receives nomination lists from the President of the Senate and Speaker of the House of Representatives within ninety days of receipt of the lists;
- (2) The President of the Senate and Speaker of the House of Representatives to appoint the Hawaii Tourism Authority Board members if the Governor does not make the appointment within ninety days after receiving nomination lists;
- (3) That the minutes from an executive meeting of the Board be available to legislators upon request;
- (4) That information discussed at an executive meeting of the Board that relates to marketing plans and strategies be disclosed after execution of those plans and strategies;
- (5) The Authority to annually report summary descriptions and planned and actual expenditures of its contracts and agreements; and
- (6) The Authority to annually report a detailed budget for a two-year period.

Your Committees received written comments in support of this measure from the Office of Information Practices and the Hawaii Lodging and Tourism Association.

Your Committees received written comments on this measure from the Hawaii Tourism Authority and Kohala Coast Resort Association.

Your Committees find that the Hawaii Tourism Authority has a crucial role in supporting and maintaining the State's top industry. The Authority is best able to accomplish its role when it has a full board of directors. Accordingly, your Committees believe that steps should be taken to ensure that Board vacancies are short in length.

Additionally, your Committees find that the Legislature and others have an important role in overseeing the actions and budget of the Hawaii Tourism Authority and its Board. Your Committees believe that this measure will assist the Legislature and others in overseeing the Authority and its Board by ensuring that various Authority and Board information is accessible.

Your Committees have amended this measure by:

- (1) Requiring the Hawaii Tourism Authority Board of Directors to approve Authority expenditures of more than \$50,000;
- (2) Repealing the Authority's exemption from the State procurement code; but authorizing the Authority to adopt its own rules pursuant to chapter 91, Hawaii Revised Statutes, that would supersede procurement code rules for competitive bidding for certain contracts; and
- (3) Making statutory amendments to require, rather than authorize, the Authority to establish an advisory group and that meets monthly to advise the Authority;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committees note that the substantive amendments made to this measure have been made at the request of the Chair of the Senate Standing Committee with jurisdiction over the measure's subject matter.

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. 1084, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1084, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 909 Ways and Means on S.B. No. 1189

The purpose and intent of this measure is to ensure that underserved and at-risk children have access to crucial preschool education.

Specifically, this measure clarifies the definition of "underserved" or "at-risk" children as it relates to the priority given to these children for the Preschool Open Doors program.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, Kamehameha Schools, and one concerned individual.

Your Committee received written comments on this measure from the Department of Human Services, Early Childhood Action Strategy, Parents and Children Together, and Hawaii Children's Action Network.

Your Committee finds that the Preschool Open Doors program provides a way for families with low and low-moderate incomes to afford a high quality early learning setting for their children and also allows parents of the children an opportunity to work or pursue higher education or training. Your Committee further finds that access to stimulating and safe preschool or child care would not be possible for many low and low-moderate income families without the subsidies provided by this program.

Your Committee has amended this measure by:

- (1) Requiring that priority among underserved or at-risk children be given to children whose family income is at or below two hundred fifty per cent of the federal poverty level; and
- (2) Changing the effective date from upon approval to July 1, 2018.

Your Committee intends that the amendment clarifying priority among underserved or at-risk children serve as a compromise between the amendments suggested by the Department of Human Services and the Executive Office on Early Learning.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1189, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1189, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Dela Cruz, Taniguchi).

SCRep. 910 Ways and Means on S.B. No. 850

The purpose and intent of this measure is to make the Chief Information Officer responsible for the independent verification and validation of information technology projects of the executive branch, including the University of Hawaii and the Department of Education.

Your Committee received written comments in support of this measure from the University of Hawaii.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that technology projects often involve substantial risk and expense and thus should be subject to independent verification and validation to ensure efficient and effective functioning of public institutions and government. Your Committee believes that making the Chief Information Officer responsible for the independent verification and validation of information projects of the executive branch is a proactive approach to achieving the successful development and implementation of certain technology projects.

Your Committee also believes that imposing mandatory reporting requirements to the Legislature provides a level of accountability and transparency in these large scale information technology projects, and ensures recommendations are being implemented with fidelity.

However, your Committee notes that the University of Hawaii and Department of Education have their own information technology departments, and that overlapping oversight of technology projects may introduce significant strain on state resources and detract from the services provided by each organization. Accordingly, should a Standing Committee in the House of Representatives decide to hear this measure, your Committee respectfully requests that it consider:

- (1) Exempting University of Hawaii and Department of Education information technology projects from the independent verification and validation responsibilities of the Chief Information Officer; and
- (2) Requiring the University of Hawaii and Department of Education to submit written reports to the Legislature for any independent verification and validation conducted for their respective information technology 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. 850 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 911 Ways and Means on S.B. No. 1040

The purpose and intent of this measure is to require the University of Hawaii to create a campus master plan to guide the needs and development of each University of Hawaii campus.

Your Committee received written comments in support of this measure from one individual. Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that the long range development plan of the University of Hawaii has not been updated since 2007. Your Committee further finds that establishing a plan with five- and ten-year timelines that addresses growth, forges strategic partnerships, improves learning and research environments, and optimizes the use of existing facilities, among other things, will help to focus the development of the University of Hawaii System.

Your Committee has amended this measure by:

- (1) Requiring the University of Hawaii System to submit a report to the Legislature, prior to the convening of the Regular Session of 2018, on the status of creating the campus master plan;
- (2) Amending the deadline for the University of Hawaii System to submit the campus master plan from sixty days prior to the convening of the Regular Session of 2018 to sixty days prior to the convening of the Regular Session of 2019; and
- (3) Making technical nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1040, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 912 Ways and Means on S.B. No. 950

The purpose and intent of this measure is to update the State's mortgage servicers law, as set forth in chapter 454M, Hawaii Revised Statutes.

More specifically, the measure:

- (1) Requires any licensee seeking to change control of the licensee to submit an application and \$500 fee to obtain approval from the Commissioner of Financial Institutions, who is required to grant approval of the change of control if certain conditions are met;
- (2) Provides that executive officers and other individuals are presumed to control a mortgage servicer;
- (3) Identifies which persons related to a mortgage servicer are subject to interviews and examination, as well as to disclosure of bankruptcy filings, lending industry violations, and criminal history; and
- (4) Deletes an obsolete provision of law that requires a mortgage servicer to possess a license under chapter 454F, Hawaii Revised Statutes, to make loan modifications.

The Department of Commerce and Consumer Affairs submitted written comments in support of this measure.

Your Committee finds that it is appropriate to require a licensee seeking to change control of a licensee to submit to an application and investigation process by the Commissioner of Financial Institutions, who would make certain determinations as to the fitness of the persons who will obtain control and evaluate the impact of the change of control on the public interest. This process, as well as the statutory presumption regarding who is in control of a mortgage servicer, will enhance consumer protection by preventing the takeover of a licensed mortgage servicer by unqualified persons. Your Committee believes that the measure will clarify the State's mortgage servicers law and enhance the Division of Financial Institutions' regulatory oversight and enforcement of the law.

Your Committee has amended this measure by inserting the term "mortgage servicer," as appropriate, into the new section 454M-(1) and (2), Hawaii Revised Statutes, to clarify who is presumed to control a mortgage servicer.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 950, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 950, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 913 Ways and Means on S.B. No. 553

The purpose and intent of this measure is to provide funding to remote schools on a more equitable basis.

Specifically, the measure:

- (1) Requires that remote schools be allocated funds using categorical allotments, rather than through the weighted student formula;
- (2) Defines a remote school as any public school that is a high school located at least a one-hour drive away from the next nearest high school, or a high school located on the island of Lanai, Molokai, or Niihau; and
- (3) Specifies minimum numbers and types of teachers for Hana High and Elementary School.

Your Committee received written comments in support of this measure from the Hawaii State Teachers Association. Written comments in opposition were received from the Department of Education.

Your Committee has amended this measure by:

- (1) Deleting provisions that required remote schools to receive funds based only on categorical allotments, not on the weighted student formula;
- (2) Deleting provisions relating to specific staffing requirements for remote schools;
- (3) Codifying a provision authorizing supplemental categorical funding for remote schools; and
- (4) Making an appropriation for the funding of remote schools.

Your Committee notes that the provision of supplemental funds to schools on a categorical basis has occurred in the past, and that such a funding mechanism is likely to benefit schools besides Hana High and Elementary School.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 553, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 553, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (Dela Cruz, Inouye, Kahele, Shimabukuro).

SCRep. 914 Ways and Means on S.B. No. 1162

The purpose and intent of this measure is to provide financial assistance to qualified students enrolled at any University of Hawaii campus for their unmet direct cost needs.

More specifically, this measure:

- (1) Establishes the Hawaii promise program to provide scholarships to those students;
- (2) Establishes the Hawaii promise program special fund to provide financial assistance to students who qualify for the Hawaii promise program; and
- (3) Appropriates \$13,587,000 for the establishment and implementation of the Hawaii promise program.

The University of Hawaii; Faculty Senate, Leeward Community College; Philippine Studies Program, Leeward Community College; Associated Students of the University of Hawaii West Oahu; Filipino American Citizens League; Hawaii Filipino Lawyers Association; Hawaii Pacific Health; Kamehameha Schools; KASAMA, Leeward Community College; National Federation of Filipino American Associations Region 12; Nursing Advocates and Mentors, Inc.; and fifty-four individuals submitted written comments in support of this measure.

Your Committee received written comments on this measure from seven individuals.

Your Committee finds that an educated labor force and engaged citizenry are essential in today's global, knowledge-based economy. Your Committee finds that the University of Hawaii graduation initiative has a goal of growing and strengthening the educational capital of the State by increasing the number of students who are Native Hawaiians, have low incomes, or represent other underserved regions or populations. Your Committee also finds that Hawaii has a "55 by '25 goal," which aspires to increase the percentage of working-age adults with two- or four-year degrees to fifty-five percent by 2025. Your Committee believes that this measure will encourage more students to attend a University of Hawaii campus and, therefore, will help the State meet its 55 by '25 goal.

Your Committee has amended this measure by:

- (1) Specifying that a student enrolled at a University of Hawaii campus shall be eligible for scholarship consideration for a maximum of eight semesters;
- (2) Replacing the use of the acronym "FAFSA" with the complete term, "Free Application for Federal Student Aid," to facilitate clarity;
- (3) Clarifying that a student enrolled at a community college campus, to be eligible for scholarship consideration, shall be enrolled in a classified degree or certificate program, among other requirements;
- (4) Clarifying a reference to the Higher Education Act of 1965, as amended, by citing the full name of the Act;
- (5) Inserting language that clarifies that students enrolled at community college campuses are required to meet different scholarship requirements than students enrolled in non-community college campuses within the University of Hawaii system;
- (6) Clarifying how scholarships are awarded;
- (7) Inserting an internal cross reference to clarify that a student who fails to comply with enumerated academic requirements shall be placed on scholarship probation;
- (8) Inserting language to clarify that if a student is returned to good standing after a period of probation, but subsequently fails to comply with the academic requirements at any time within an eight-semester period, after the return to good standing, the student's scholarship shall be revoked;
- (9) Clarifying the definition of "direct cost";
- (10) Deleting the appropriated amounts and leaving them unspecified;
- (11) Creating two appropriation sections that appropriate moneys from the Hawaii promise program special fund to separately fund scholarships at four-year campuses and community colleges;
- (12) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (13) Making technical nonsubstantive amendments for clarity, consistency, and style.

Your Committee is considering appropriating \$13,587,000 for the Hawaii promise program, which would be allocated among the campuses of the University of Hawaii as follows:

- (1) \$9,387,000 to the University of Hawaii at Manoa;
- (2) \$1,279,000 to the University of Hawaii at Hilo;
- (3) \$1,092,000 to the University of Hawaii-West Oahu; and
- (4) \$1,829,000 to the community colleges.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1162, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1162, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Wakai).

SCRep. 915 Ways and Means on S.B. No. 469

The purpose and intent of this measure is to appropriate funds for the operating costs of the Judiciary for fiscal biennium 2017-2019.

Your Committee received written comments in support of this measure from the Judiciary; Hawaii State Bar Association; Legal Aid Society of Hawaii; Volunteer Legal Services Hawaii; Americans For Democratic Action Hawaii; Mothers Against Drunk Driving Hawaii; Hawaii Disability Legal Services, L.L.C.; Surfriider Spirit Sessions; The National Crittenton Foundation; Pahoia High and Intermediate School; Hawai'i Society of Addiction Medicine; and ten individuals.

Your Committee received written comments in opposition to this measure from the Kaua'i Bar Association.

Your Committee received comments on this measure from the Hawaii County Bar Association, West Hawaii Bar Association, Domestic Violence Action Center, and one individual.

OPERATING BUDGET

Your Committee notes that the Judiciary had requested an increase of \$7,099,958 for fiscal year 2017-2018 and \$8,032,722 for fiscal year 2018-2019 in general funds. Your Committee has approved an increase of \$5,764,715 for fiscal year 2017-2018 and \$5,985,874 for fiscal year 2018-2019 in general funds for the Judiciary's operating budget.

With the adjustments contained in this measure, the total general fund appropriation for the Judiciary is \$163,947,440 for fiscal year 2017-2018 and \$164,168,599 for fiscal year 2018-2019.

Judges' Salary Differential

Your Committee recognizes that justices and judges are due salary increases pursuant to the 2013 Commission on Salaries report. Therefore, your Committee approves the number one funding priority for the Judiciary by providing \$361,196 in fiscal year 2017-2018 and \$729,216 in fiscal year 2018-2019 in general funds for salary increases for justices, judges, the administrative director and the deputy administrative director.

Judgeship

Your Committee approves \$178,000 in fiscal year 2017-2018 and \$316,000 in fiscal year 2018-2019 in general funds to establish one judgeship at the discretion of the Chief Justice pursuant to the proviso in section 7 of the measure.

Your Committee believes that the Chief Justice should identify the judgeship that is of highest priority and represents the greatest need so as to warrant the establishment of an additional court.

Civil Legal Services

Your Committee approves \$750,000 in general funds in each fiscal year for purchase of service contracts for civil legal services.

Your Committee reaffirms its support for funding legal services through purchase of service contracts instead of grants. This approach was implemented under Act 138, Session Laws of Hawaii 2015, in order to create competition among indigent legal service providers and to give the Judiciary more discretion in procuring these services.

Hawaii Zero To Three

Your Committee recognizes the importance of providing services that focus on the well-being of infants and toddlers who have been removed from parental custody.

Your Committee approves 1.00 permanent social worker position and \$27,116 in fiscal year 2017-2018 and \$50,772 in fiscal year 2018-2019 in general funds for the Hawaii Zero To Three Program.

To generate savings from the base budget to fund this increase, your Committee has eliminated 2.00 vacant temporary positions that were among the lowest in priority of the Judiciary and reduced \$56,640 in personal services appropriations for them.

Mental Health Court

With respect to the Mental Health Court, your Committee concurs with the Judiciary's overall goals of bringing stability to partnerships with other relevant agencies, increasing client referrals and the population served, reducing recidivism, and increasing public safety. Efforts to attain these goals require additional staff and support for supervision of felony offenders who suffer from serious mental illness.

Therefore, your Committee approves 2.00 permanent positions and \$58,932 in fiscal year 2017-2018 and \$101,544 in fiscal year 2018-2019 in general funds for the Mental Health Court.

CAPITAL BUDGET

Your Committee finds that Ka'ahumanu Hale, Oahu is in need of critical improvements to both its fire alarm and elevator systems, and thus provides \$9,300,000 in fiscal year 2017-2018 and \$6,300,000 in fiscal year 2018-2019 in general obligation bond funds for system upgrades and modernization at Ka'ahumanu Hale, Oahu.

Your Committee also approves \$3,000,000 in each fiscal year in general obligation bond funds for alterations, upgrades and improvements to judiciary facilities statewide.

Your Committee recognizes a need for enhanced security at Hoapili Hale, Maui. Therefore, your Committee provides \$1,000,000 in fiscal year 2017-2018 and \$1,600,000 in fiscal year 2018-2019 in general obligation bond funds for security improvements at Hoapili Hale, Maui.

Your Committee finds that the Kaua'i Judiciary Complex in need of roof work and therefore appropriates \$1,390,000 in fiscal year 2017-2018 and \$1,100,000 in fiscal year 2018-2019 in general obligation bond funds to reroof and repair leaks at the Kaua'i Judiciary Complex, Kaua'i.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 469, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 916 Government Operations on Gov. Msg. No. 502

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

G.M. No. 502 RODERICK BECKER, for a term to expire 12-03-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Roderick Becker to possess the requisite qualifications to be nominated as Comptroller to lead the Department of Accounting and General Services.

Your Committee received testimony in support of the nomination of Roderick Becker from Governor David Y. Ige; Department of Budget and Finance; Department of Health; Department of Labor and Industrial Relations; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Department of Taxation; Department of Public Safety; Department of Commerce and Consumer Affairs; Department of Transportation; Department of Human Resources Development; State Procurement Office; Office of Enterprise Technology Services; and eighteen individuals.

Prior to beginning work as Comptroller in November 2016, Roderick Becker was Deputy Director at the Department of Budget and Finance. Mr. Becker's previous work experience includes a long tenure as Budget Chief of the Hawaii State Senate's Committee on Ways and Means from December 2008 to November 2014, Budget Analyst for the Honolulu City Council from August 2005 to December 2008, Capital Improvement Program Specialist at the Hawaii State Senate from January 2001 to August 2005, and Program Budget Analyst at the Hawaii State Senate from December 1999 to May 2000. Mr. Becker earned a Bachelor of Arts in Economics and Political Science from the University of Hawaii at Manoa. Mr. Becker is also a Certified Public Finance Officer through the Government Finance Officers Association.

Your Committee believes that the nominee possesses the requisite financial and budget knowledge to qualify to serve as Comptroller and lead the Department of Accounting and General Services. Mr. Becker has demonstrated his commitment to public service through his consistent and distinguished public service at local and state levels of government, taking on additional responsibilities and leadership roles as he progressed in his career. His variety and depth of experience in all aspects of budgeting, financial and program management, and government administration and systems will provide a solid foundation to succeed in the position of Comptroller. Testifiers commented that the nominee has a keen understanding of the budgetary process and government operations, making him an ideal leader of the department responsible for managing and supervising a wide range of state programs and activities. Other testimony emphasized Mr. Becker's exemplary record of public service; his commitment to improving how state government functions, while taking particular note of taxpayers' best interests; his deliberative and methodical approach to government accounting and finance; and his professionalism and invaluable insight and guidance as a colleague.

Your Committee notes from the nominee's personal statement and testimony before the Committee that reducing risk to the State and improving client services are his top goals. Mr. Becker views the modernization of the state payroll system and the improvement of delivery of capital projects for user agencies as two opportunities for fulfilling these goals. He acknowledges the many highly qualified and dedicated employees of the Department of Accounting and General Services and intends to guide and support their ongoing efforts, while recognizing that the Department needs to update and modernize its processes and training to utilize the most current technologies and best practices. Mr. Becker additionally appreciates the broad scope of the Department and believes his background is well-suited to manage the multitude of agency and operational issues the he may encounter as Comptroller at any given time. Mr. Becker identifies the overall goal of the Department is to strive for quality and consistency in the delivery of essential support services to other state departments and agencies in a cost-effective, productive, relevant, and timely manner. Under his guidance, the Department will endeavor to improve metrics that are relevant to this goal.

As affirmed by the record of votes of the members of your Committee on Government Operations 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 (Ruderman, Tokuda).

SCRep. 917 Water and Land on S.C.R. No. 41

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (2) 3-9-11:7, seaward of lot 7, Waiohuli-Keokea Homesteads and Beach Lots, Waiohuli-Keokea (Kihei) Wailuku, Maui, Hawaii, for the maintenance and repair of the existing seawall constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution.

Your Committee further finds that on April 22, 2016, the Board of Land and Natural Resources approved a grant of a sixty-five-year non-exclusive easement, commencing on August 10, 1990, to:

- (1) Finalize a prior approved easement to resolve the encroachment of the seawall identified in this measure that was never formally executed, subject to certain conditions;
- (2) Update the applicant of the easement to reflect the current owner; and
- (3) Reduce the term of the easement from perpetual to sixty-five years.

Your Committee concludes that the easement is necessary for the repair and maintenance of the existing seawall.

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. 41 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 918 Water and Land on S.C.R. No. 42

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key number: (1) 4-4-018: seaward of 072, Kaneohe, Koolaupoko, Oahu, for the maintenance and repair of the existing seawall, boat ramp, and pier, and for use, repair, and maintenance of the existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on April 24, 2015, under agenda item D-15, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachment of portions of the seawall, boat ramp, and pier identified in this measure. Your Committee notes that the fair market value of the easement is \$36,000 as determined by an independent appraisal, and that the current property owner has remitted payment to the State. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing seawall, boat ramp, and pier, and for use, repair, and maintenance of the existing improvements constructed thereon.

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. 42 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 919 Water and Land on S.C.R. No. 43

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands identified as tax map key: (1) 4-5-058:121, Kaneohe, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on December 9, 2016, under agenda item D-20, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachment of the pier identified in this measure, subject to the easement grantee paying the State the fair market value of the easement, to be determined by an independent appraisal. Your Committee notes that the current owner worked with the Department of Land and Natural Resources to convert the existing month-to-month revocable permit to a long-term easement pursuant to Department policy, established after extensive review of revocable permits, to convert revocable permits to long-term easements when appropriate to minimize the number of permits. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements constructed thereon.

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. 43 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 920 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 for the portion of state submerged lands identified as tax map key: (1) 4-1-001:seaward of 011, Waimanalo, Koolaupoko, Oahu, for the maintenance and

repair of the existing pier, and for use, repair, and maintenance of the existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on January 13, 2017, under agenda item D-14, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachment of the pier identified in this measure, subject to the easement grantee paying the State the fair market value of the easement as determined by an independent appraisal. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing pier and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee has amended this measure by making a technical, nonsubstantive amendment to the title 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 your 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, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 921 Water and Land on S.C.R. No. 47

The purpose and intent of this measure is to authorize the amendment of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key number: (1) 4-3-005: seaward of 094, Kailua, Koolauloko, Oahu, for the maintenance and repair of the existing seawall and boat ramp, and for the use, repair, and maintenance of the existing improvements constructed thereon pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease state submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on June 4, 2004, under agenda item D-6, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the seawall and boat ramp identified in this measure. Since the issuance of the easement, a subsequent survey has shown the shoreline boundary to be further mauka, which resulted in an additional encroachment area of 328 square feet. On May 27, 2016, under agenda item D-13, the Board of Land and Natural Resources authorized the amendment of the easement by incorporating the additional encroachment area subject to an additional payment of \$33,584, based on the pro-rated value of the easement. Your Committee concludes that the amendment to the easement is necessary for the maintenance and repair of the existing seawall and boat ramp, and for the use, repair, and maintenance of the existing improvements constructed thereon.

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. 47 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 922 Water and Land on S.C.R. No. 30

The purpose and intent of this measure is to review and approve a land exchange between the State and Parker Land Trust previously approved 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 and Parker Ranch. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

The proposed land exchange between the State and Parker Land Trust, formerly Parker Ranch Land Trust, was approved by the Board of Land and Natural Resources (Board), under agenda item D-5, on August 8, 2003. Pursuant to section 171-50, Hawaii Revised Statutes (HRS), in effect at the time, Senate Concurrent Resolution No. 5 (S.C.R. No. 5) was adopted by the Twenty-second Legislature during the Regular Session of 2004. Despite the requisite approval by the Board and subsequent adoption of S.C.R. No. 5, the land exchange was never effectuated. Parker Land Trust now wishes to finalize the land exchange identified in this measure and previously approved by the Board; however, section 171-50, HRS, has been amended three times since the adoption of S.C.R. No. 5, and S.C.R. No. 5 does not satisfy the current requirements of section 171-50, HRS.

The proposed land exchange conveys a 0.780-acre parcel owned by the State, set aside to the Department of Education by Executive Order 3454, in exchange for a 5.445-acre parcel owned by Parker Land Trust. Your Committee finds that the public will benefit from the proposed exchange; the exchange will allow Parker Land Trust to realign the Lindsey Road extension, resulting in improved design and function, and will provide a greater size parcel to the State to be set aside for the Department of Education for future expansion at the Waimea Elementary and Intermediate School campus. Your Committee finds this measure satisfies the requirements of section 171-50, HRS, and your Committee notes this measure was transmitted to the Office of Hawaiian Affairs pursuant to section 171-50, HRS, and the Office of Hawaiian Affairs does not oppose the land exchange.

Your Committee has amended this measure by:

- (1) Clarifying that a copy of the draft resolution was transmitted to the Office of Hawaiian Affairs on September 23, 2016, and the Office of Hawaiian Affairs does not oppose the land exchange;
- (2) Amending its title to more accurately reflect what it aims to accomplish once adopted; 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 S.C.R. No. 30, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 923 Agriculture and Environment on H.B. No. 186

The purpose and intent of this measure is to extend the sunset date of the pesticide subsidy program for two years and limit the amount of subsidies that each coffee grower can receive over a three year period.

Your Committee received testimony in support of this measure from the Department of Agriculture, Office of the Mayor of the County of Hawaii, Big Island Invasive Species Committee, Hawai'i Farm Bureau, ILWU Local 142, Hawaii Coffee Company, and nine individuals.

Your Committee finds that Act 105, Session Laws of Hawaii 2014, as amended by Act 152, Session laws of Hawaii 2015, established a pesticide subsidy program within the Department of Agriculture effective from July 1, 2014, through June 30, 2019, with the purpose of providing subsidies to coffee farmers for the purchase of pesticides containing the fungus *Beauveria bassiana* to control infestation of the coffee berry borer. Although Act 105 appropriated funds, the Act took longer than anticipated to be implemented, and the appropriated funds only became available at the end of 2016, more than two years after the effective date of the program. This measure extends the sunset date of the pesticide subsidy program by two years to ensure it can be fully implemented within the time span originally envisioned in Act 105.

Your Committee has amended this measure by:

- (1) Appropriating general revenues directly to the Department of Agriculture for the pesticide subsidy program established under Act 105, Session Laws of Hawaii 2014, as amended, instead of appropriating funds into and out of the pesticide use revolving fund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 186, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 186, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 924 Agriculture and Environment on H.B. No. 481

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to:
 - (A) Establish a pilot pesticide treatment coupon project within the Department of Agriculture's existing little fire ant program;
 - (B) Create a little fire ant site map; and
 - (C) Report to the Legislature on its progress in implementing the pilot pesticide treatment coupon project and little fire ant site map; and
- (2) Appropriate funds for the pilot pesticide treatment coupon project and little fire ant site map.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of the Mayor of the County of Hawaii, Conservation Council for Hawai'i, Hawai'i Farm Bureau, Little Fire Ant HUI, Hawaii Island School Garden Network, Hawaii Pest Control Association, Environmental Caucus of the Democratic Party of Hawaii, Big Island Invasive Species Committee, Sierra Club of Hawaii, and four individuals. Your Committee received comments on this measure from the Department of Agriculture and University of Hawaii System.

Your Committee finds that the little fire ant, *Wasmannia auropunctata*, threatens native biodiversity, alters tropical ecosystems, impairs human health, impedes tourism, diminishes agricultural productivity, mars horticulture sales, and accordingly ranks among the world's worst invasive species. The County of Hawaii has been affected most by the little fire ant. The University of Hawaii, the County of Hawaii, and the Department of Agriculture must collaborate to develop and implement effective measures to address the impacts of the little fire ant in the County of Hawaii. Your Committee therefore finds that the Department of Agriculture needs resources to be more proactive and aggressive in implementing efforts to eradicate the little fire ant.

Your Committee has amended this measure by:

- (1) As recommended by the Department of Agriculture:
 - (A) Deleting references to the current little fire ant program within the Department of Agriculture, because a current program does not exist within the Department; and
 - (B) Deleting the requirement that the Department of Agriculture create a little fire ant site map, because the Hawai'i Ant Lab is currently working on such a map; and
- (2) Making 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 481, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 481, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 925 Agriculture and Environment on H.B. No. 891

The purpose and intent of this measure is to require the Governor and Department of Agriculture to develop a strategic plan outlining benchmarks to achieve the Governor's goal of doubling food production by 2020 and increasing food-related exports from Hawaii.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; Sierra Club of Hawai'i; Ulupono Initiative; and one individual.

Your Committee finds that Governor Ige recently set the policy goal of doubling food production by 2020; however, details on how to achieve this objective have yet to be identified. Factors including preservation of agricultural land, identification of food crops for local production, irrigation and agricultural infrastructure improvements, and compliance with the federal Food Safety Modernization Act need immediate attention in order for the goal of doubling food production by 2020 to be a realistic objective.

Your Committee has amended this measure by:

- (1) Specifying that the Department of Agriculture shall submit the strategic plan, rather than a report, to the Legislature; and
- (2) Making it effective upon its approval.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 891, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 891, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 926 Agriculture and Environment on H.B. No. 1325

The purpose and intent of this measure is to:

- (1) Reaffirm the Legislature's finding that the implementation of the Department of Agriculture's biosecurity program is vital to the State;
- (2) Require the Department of Agriculture to establish parameters and construction requirements for biosecurity facilities; and
- (3) Appropriate funds to enable the Department of Agriculture to complete the implementation of the biosecurity program to include import replacement and pest management programs.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Hawai'i Farm Bureau; Friends of Clift Tsuji; Hawaii Floriculture and Nursery Association; Maui County Farm Bureau; Local Food Coalition; Hawaii Cattlemen's Council, Inc.; Hawaii Crop Improvement Association; Conservation Council for Hawai'i; four individuals; and a petition signed by numerous individuals.

Your Committee finds that despite the State's ongoing efforts to detect and eradicate invasive species, Hawaii's fragile island ecosystems are constantly at risk from insects, disease-bearing organisms, snakes, weeds, and other invasive pests. Your Committee further finds that the Department of Agriculture has created a biosecurity program to fight invasive species on several fronts by:

- (1) Administering pre-entry measures to minimize the risk of invasive species entering the State;
- (2) Conducting port-of-entry inspections to detect and quarantine or destroy pests upon arrival; and
- (3) Administering post-entry measures to mitigate the establishment of invasive species within the State.

Your Committee finds that the State must encourage continued efforts to fight invasive species. Your Committee also finds that the late Representative Clift Tsuji was dedicated to supporting Hawaii agriculture and the eradication of invasive species, and your Committee is pleased to pass this measure in his honor.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1325, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 927 Agriculture and Environment on H.B. No. 1339

The purpose and intent of this measure is to restructure the Hawaii Invasive Species Council into a new entity, the Hawaii Invasive Species Authority, to be administratively attached to the Department of Agriculture.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Department of Transportation; University of Hawaii System; Office of the Mayor of the County of Hawaii; Hawai'i Farm Bureau; Local Food Coalition; Hawaii Cattlemen's Council, Inc.; The Nature Conservancy; Environmental Caucus of the Democratic Party of Hawai'i; Conservation Council for Hawai'i; Land Use Research Foundation; and three individuals. Your Committee received testimony in opposition to this measure from For Forgotten Felines and four individuals. Your Committee received comments on this measure from the Department of the Attorney General and Matson, Inc.

Your Committee finds that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is the single greatest threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. In 2003, the Legislature created the Hawaii Invasive Species Council, an interagency board mandated to provide policy-level direction and coordination on invasive species issues, co-chaired by the Chairpersons of the Board of Land and Natural Resources and the Board of Agriculture. The authorizing legislation for the council did not create staff positions or a revenue source. Your Committee further finds that despite many successes, mitigation of invasive species threats and impacts often remains fragmented between agencies and is insufficiently supported through interagency data collection and management, public pest reporting, interagency response coordination, and statewide public outreach. Establishing the Hawaii Invasive Species Authority as an attached agency of the Department of Agriculture and enhancing the State's invasive species prevention, early detection, rapid response, control, enforcement, and outreach programs will help protect the environment, human health, culture, and the economy.

Your Committee has amended this measure by:

- (1) As recommended by the Department of the Attorney General:
 - (A) Clarifying that "department" means any governmental entity whose representative or designee is a member of the authority;
 - (B) Specifying that the Authority will adopt a list of invasive species by rule; and
 - (C) Deleting section 3, because the proposed amendments are unnecessary;
- (2) Requiring the Hawaii Harbor Users Group and Airlines Committee of Hawaii, Inc., to be asked to participate as non-voting members of the Authority in discussions regarding harbors and airports, respectively;
- (3) Making it effective on July 1, 2017; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1339, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 928 Agriculture and Environment on H.B. No. 1544

The purpose and intent of this measure is to add the increase of the production of food intended for human consumption that is produced and sold in the State to the statutorily mandated general duties of the Department of Agriculture.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Agriculture and Hawai'i Farm Bureau.

Your Committee finds that increased local food production is a top priority of the State to achieve the state goal of sustainability. Your Committee supports all efforts that encourage increased local food production in the State.

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

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1544, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1544, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 929 Commerce, Consumer Protection, and Health on H.B. No. 1081

The purpose and intent of this measure is to:

- (1) Authorize the issuance of a citation for specific violations of beauty culture laws by licensees and permittees;

- (2) Set forth a process for licensees and permittees to contest the citation and provide for the assessment of fines for each violation; and
- (3) Establish requirements for persons selling or demonstrating beauty products or techniques for promotional purposes to adhere to licensing requirements, with certain exceptions.

Your Committee received testimony in support of this measure from the Airport Concessionaries Committee. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Board of Barbering and Cosmetology.

Your Committee finds that this measure authorizes the Regulated Industries Complaints Office to issue citations to beauty culture licensees and permittees for specific violations of the beauty culture laws. This measure also requires a cosmetology license for persons who sell or demonstrate beauty products or techniques for promotional purposes, unless the person is not compensated and obtains written consent to provide the service from the person receiving the service. However, your Committee has heard testimony that the Hawaii Administrative Rules specifically exempt manufacturer's representatives or sales persons who sell beauty products or techniques for propositional purposes without compensation. Accordingly, there are concerns that this measure requires licensure for conduct that is not traditionally covered under Hawaii law. Your Committee has also heard concerns that the cosmetology licensing requirements proposed by this measure may have far-reaching unintended consequences for employees of retailers throughout the State.

Your Committee notes that the companion to this measure, S.B. No. 947, S.D. 2 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that also authorizes the Regulated Industries Complaints Office to issue citations to beauty culture licensees and permittees for specific violations of the beauty culture laws. Your Committee concludes that the language in S.B. No. 947, S.D. 2, is preferable because it does not contain language that requires a cosmetology license for persons who sell or demonstrate beauty products or techniques for promotional purposes. Your Committee further finds that the language in S.B. No. 947, S.D. 2, expedites the Regulated Industries Complaints Office's enforcement of certain technical violations of the beauty culture laws, promotes swift compliance by licensees and permittees, and enables Regulated Industries Complaints Office staff to concentrate their efforts and resources on other violations.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 947, S.D. 2, a substantially similar measure, which:

- (1) Authorizes the issuance of a citation for specific violations of beauty culture laws by licensees and permittees;
- (2) Sets forth a process for licensees and permittees to contest the citation and provides for the assessment of fines for each violation; and
- (3) Inserts an effective date of July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1081, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1081, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 930 Commerce, Consumer Protection, and Health on H.B. No. 1027

The purpose and intent of this measure is to amend the nonprofit corporations law to:

- (1) Restore procedures that allow nonprofit corporations to convert into and out of domestic nonprofit corporations;
- (2) Impose a duty of loyalty on directors and officers of nonprofit corporations; and
- (3) Increase the length of time the Attorney General has to review proposed dissolutions of public benefit corporations.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Aloha Society of Association Executives, Association of Fundraising Professionals – Aloha Chapter, Hawai'i Alliance of Nonprofit Organizations, and three individuals.

Your Committee finds that Act 37, Session Laws of Hawaii 2012 (Act 37), repealed a provision in the Hawaii Revised Statutes that allowed a domestic nonprofit corporation to convert to a foreign corporation or any other business entity. In hindsight, Act 37 went too far, as it effectively prevented domestic nonprofit corporations from converting to foreign nonprofit corporations. This measure restores the provision that allows nonprofit corporations to convert into and out of domestic nonprofit corporations, establishes the procedure for conversion, and specifies the effects of a conversion.

Your Committee further finds that although directors of nonprofit corporations have a duty of loyalty at common law, existing statute does not expressly recognize such a duty of loyalty. Accordingly, this measure establishes a duty of loyalty for directors and officers of nonprofit corporations.

Your Committee 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 members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1027, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1027, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 931 Agriculture and Environment on H.B. No. 605

The purpose and intent of this measure is to prohibit the installation or use of household aerobic units that discharge directly to groundwater, unless the Director of Health approves that the units meet National Sanitation Foundation/American National Standards Institute (NSF/ANSI) Standard 245 certification for class I aerobic units.

Your Committee received testimony in support of this measure from the Department of Health, Office of Hawaiian Affairs, and one individual.

Your Committee finds that improved wastewater treatment is one of the most effective ways to reduce nitrogen pollution in surface water. Current law requires household aerobic units to meet NSF/ANSI Standard 40 certification, which does not address nitrogen reduction in the treated effluent. NSF/ANSI Standard 245 includes performance measures that reduce the amount of nitrogen discharged into surface waters by at least fifty percent in some watersheds. Your Committee further finds that requiring household aerobic units to meet NSF/ANSI Standard 245 certification could help meet the growing demand for nutrient reduction in coastal areas and sensitive environments.

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

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 605, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 605, H.D. 1, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 932 Commerce, Consumer Protection, and Health on H.B. No. 235

The purpose and intent of this measure is to:

- (1) Increase the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance; and
- (2) Cap the total benefit amount for acupuncture, chiropractic, and naturopathic treatments.

Your Committee received testimony in support of this measure from AcuPlan Hawaii, Hawaii Oriental Medicine and Acupuncture Association, Institute of Clinical Acupuncture and Oriental Medicine, and eleven individuals. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, State Farm Mutual Automobile Insurance Company, and Hawaii Association for Justice. Your Committee received comments on this measure from one individual.

Your Committee finds that the reimbursement rate for licensed acupuncturists has not increased in almost twenty years. Your Committee further finds that this freeze has resulted in a reimbursement rate that has not kept up with inflation or the increased costs of providing care.

Although your Committee has heard the concerns that this measure would affect underlying costs in certain areas of motor vehicle insurance, your Committee does not believe that enabling licensed acupuncturists to be appropriately compensated, like other health care providers, will be a significant cost-driver for motor vehicle insurance rates in Hawaii. Your Committee finds that tying acupuncture benefits to the charges permissible under the Workers' Compensation Supplemental Medical Fee Schedule will ensure that licensed acupuncturists are able to receive appropriate reimbursement for their services.

Your Committee has amended this measure by:

- (1) Clarifying that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits shall be capped at thirty visits and shall be tied to the charges, and any subsequent increases in charges, permissible under the Workers' Compensation Supplemental Medical Fee Schedule;
- (2) Clarifying that the combined total of naturopathic and chiropractic treatments allowed under personal injury protection benefits may not exceed thirty visits;
- (3) Deleting language that would have capped acupuncture treatment at thirty visits at a cost of \$105.70 per visit;
- (4) Deleting language that would have capped the combined total of naturopathic, chiropractic, and acupuncture benefit treatments at \$2,250; 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, Consumer Protection, and Health 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 referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 933 Commerce, Consumer Protection, and Health on H.B. No. 206

The purpose and intent of this measure is to:

- (1) Establish a 1.5 percent prepaid wireless E911 surcharge at the point of sale;
- (2) Allow sellers to deduct and retain three percent of all surcharges collected from consumers for administrative purposes;
- (3) Require sellers to remit the surcharge balance to the Enhanced 911 Board; and
- (4) Require the Enhanced 911 Board to submit a report to the Legislature on the prepaid wireless E911 surcharge no later than twenty days prior to the convening of the Regular Session of 2019.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Hawaii State Fire Council, Honolulu Fire Department, Maui Fire Department, Honolulu Police Department, Maui Police Department, Hawai'i Police Department, CTIA, Verizon, and three individuals. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii. Your Committee received comments on this measure from the Enhanced 911 Board and Tax Foundation of Hawaii.

Your Committee finds that approximately ten to twenty percent of wireless telecommunications service is by consumers with prepaid wireless phones. Although users of prepaid wireless telecommunications services benefit from the use of enhanced 911 features, they are currently exempt from the \$0.66, monthly per-line surcharge imposed on consumers of postpaid, or contracted, wireless telecommunications services. Such exemption means that postpaid consumers are effectively subsidizing prepaid consumers' share of the cost for the acquisition, implementation, and maintenance of hardware and software that provide enhanced 911 functionality. Accordingly, this measure attempts to create parity between postpaid and prepaid wireless telecommunications service by establishing a 1.5 percent prepaid wireless E911 surcharge at the point of sale, while allowing sellers to deduct and retain three percent of all surcharges collected from consumers for administrative purposes.

Your Committee further finds that this measure also requires the Enhanced 911 Board to report to the Legislature on certain aspects of the prepaid E911 surcharge and includes a sunset date of June 30, 2022. However, according to testimony from the Enhanced 911 Board, the Board is already required to report aggregate fees in its annual report to the Legislature. The Enhanced 911 Board also expressed concern over the impact reports required by this measure, as the Board has not received confirmation that any relevant data for the requested impact reports would be publically available, comprehensive, or reliable. Finally, the Board noted that the sunset provision in this measure will have a detrimental impact on the Board's ability to plan and incorporate new surcharge revenues in the Board's three to five-year strategic budget planning.

Your Committee notes that S.B. No. 887, S.D. 2 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that also establishes a 1.5 percent prepaid wireless E911 surcharge at the point of sale to create parity between postpaid and prepaid wireless telecommunications service. Your Committee concludes that the language in S.B. No. 887, S.D. 2, is preferable because it does not contain a reporting requirement or a sunset provision, contains preferred clarifying amendments, and includes a 2018 effective date.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 887, S.D. 2, a substantially similar measure, which:
 - (A) Establishes a 1.5 percent prepaid wireless E911 surcharge at the point of sale;
 - (B) Allows sellers to deduct and retain three percent of all surcharges collected from consumers to offset administrative expenses associated with collecting the surcharge;
 - (C) Requires sellers to remit the surcharge balance to the Enhanced 911 Fund on a specified periodic basis; and
 - (D) Inserts an effective date of July 1, 2018; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 206, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 206, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 934 Judiciary and Labor on H.B. No. 73

The purpose and intent of this measure is to make housekeeping amendments to section 14 of Act 48, Session Laws of Hawaii 2016, by removing references to subsections.

Your Committee did not receive any testimony regarding this measure.

Your Committee finds that this measure makes housekeeping amendments to section 14 of Act 48, Session Laws of Hawaii 2016, relating to the expedited review of certain contested cases involving the Commission on Water Resource Management, Land Use Commission, Public Utilities Commission, Hawaii Community Development Authority, and certain conservation districts.

Your Committee has amended this measure by inserting an effective date of January 7, 2019, 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. 73, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 73, 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. 935 Judiciary and Labor on H.B. No. 110

The purpose and intent of this measure is to appropriate funds for the Hawaii Employer-Union Health Benefits Trust Fund costs and other cost adjustments for certain legislative officers and employees excluded from collective bargaining.

Specifically, this measure appropriates unspecified amounts to the:

- (1) State Ethics Commission;
- (2) Office of the Auditor;
- (3) Office of the Legislative Reference Bureau;
- (4) Office of the Ombudsman;
- (5) Senate; and
- (6) House of Representatives.

Your Committee received testimony in support of this measure from the Office of the Ombudsman, Hawaii State Ethics Commission, and Legislative Reference Bureau.

Your Committee finds that the negotiations for collective bargaining agreements are currently in progress. Your Committee also finds that the officers and employees of the Legislature and the legislative service agencies are excluded from collective bargaining. This measure provides a legislative vehicle to appropriate sufficient funds for public employment cost items and cost adjustments for those staff members.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 110, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 110, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 936 Judiciary and Labor on H.B. No. 347

The purpose and intent of this measure is to provide criteria to be used by the Department of Labor and Industrial Relations to determine independent contractor status.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce; Envisions Entertainment and Productions, Inc.; and two individuals. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii State AFL-CIO; SAG-AFTRA Hawaii Local; I.A.T.S.E. Local 665; American Federation of Musicians' Local 677; Hawaii Teamsters and Allied Workers Local 996; ILWU Local 142; and one individual. Your Committee received comments on this measure from the Chamber of Commerce Hawaii.

Your Committee finds that independent contractors are an important part of Hawaii's business community and economy. Your Committee also finds that the existing Hawaii employment security law has been broadly interpreted when determining who qualifies as an independent contractor versus who is an employee of an employer. This measure seeks to provide greater clarity to those individuals choosing to become entrepreneurs and operate as independent contractors by setting forth in greater detail the criteria used to determine independent contractor status.

Your Committee has amended this measure by:

- (1) Clarifying the language in the proposed new section 383-6(b), Hawaii Revised Statutes;
- (2) Deleting the definitions of "client" and "independent contractor";
- (3) Inserting an effective date of January 7, 2059, 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. 347, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 347, H.D. 2, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Rhoads). Noes, none. Excused, 1 (Gabbard).

SCRep. 937 Judiciary and Labor on H.B. No. 594

The purpose and intent of this measure is to:

- (1) Establish a maritime industry grant program within the Department of Business, Economic Development, and Tourism (Department) for the Department to award grants to qualified shipyards;
- (2) Establish eligibility requirements for the award of grants and reporting requirements for the maritime industry grant program;
- (3) Exempt the grants from chapters 42F, 103D, and 103F, Hawaii Revised Statutes; and
- (4) Appropriate funds to the Department for the awarding of grants under the maritime industry grant program.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii; Ocean Tourism Coalition; Ali'i Nui Charters; Pacific Shipyards International, LLC; and eight individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and State Procurement Office.

Your Committee finds that this measure builds upon the success of a pilot project that was collaboratively designed and implemented in 2015 by the Department to develop local talent for maritime welding and ship repair. The impetus of this pilot project was an insufficient number of local, qualified workers that forced employers to import mainland talent at high costs and turnover rates. The pilot project provided recruitment services, internships, and an accelerated maritime welding course that resulted in thirteen trainees being hired by the shipyard. This measure enables the Department to expand the pilot project so that more local, qualified workers can be recruited to fill more high-skilled occupations in the shipyard.

Your Committee has amended this measure by:

- (1) Expanding the grant program to allow maritime industry training providers, in addition to qualified shipyards, to receive grants;
- (2) Applying the program statewide by deleting the specification that a qualified shipyard be located in a county with a population of seven hundred thousand or greater;
- (3) Amending the definition of "qualified shipyard" to conform to the North American Industry Classification System codes 336611 and 336612;
- (4) Requiring that grant recipients comply with all state and federal laws prohibiting discrimination;
- (5) Deleting language that would have allowed grants to be used for capital improvement projects;
- (6) Deleting language that would have allowed grants to be used to purchase machinery and equipment;
- (7) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 594, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 594, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 938 Judiciary and Labor on H.B. No. 810

The purpose and intent of this measure is to allow collective bargaining parties to resolve impasses related to Hawaii Employer-Union Health Benefits Trust Fund (EUTF) contribution disputes through binding arbitration.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and University of Hawaii Professional Assembly. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance and Office of Collective Bargaining.

Your Committee finds that during difficult collective bargaining negotiations, consideration of EUTF contributions as part of the total pay package may assist public employers and exclusive representatives of collective bargaining units to resolve disputes. Your Committee notes that existing law requires contribution amounts to be cost items subject to legislative approval and further notes that, as stated in Conf. Com. Rep. No. 89-84 on S.B. No. 878, Regular Session of Hawaii 1984, a previous Legislature specified health fund contribution amounts as cost items for which the Legislature retains the authority to approve in tentative agreements.

Accordingly, your Committee has amended this measure by:

- (1) Restoring statutory language that states it is strictly understood that bargaining unit members cannot strike on the issue of contribution amounts made by the State and counties to the EUTF; and
- (2) Inserting an effective date of January 7, 2059, 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. 810, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 810, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 939 Judiciary and Labor on H.B. No. 1115

The purpose and intent of this measure is to:

- (1) Allow the Hawaii Labor Relations Board to provide written notice of a hearing under the Hawaii occupational safety and health law by first class mail or electronic service through a company designated by the Board at least fifteen days before the hearing; and
- (2) Require the party seeking review of a decision and order of the Hawaii Labor Relations Board to bear the cost of preparing a transcript, except as provided by law, in which case the Board shall bear the cost.

Your Committee received testimony in support of this measure from the Hawaii Labor Relations Board and Hawaii Laborers Union Local 368.

Your Committee finds that under existing law, the Hawaii Labor Relations Board may only give notices of hearings to a party by first class mail. However, the electronic service of notices is a faster and less expensive method of delivery. Implementation of this measure will reduce costs and provide a more efficient process to accommodate all parties.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 H.B. No. 1115, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1115, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 940 Judiciary and Labor on H.B. No. 1208

The purpose and intent of this measure is to appropriate funds for enforcement specialist IV positions in the Disability Compensation Division (Division) of the Department of Labor and Industrial Relations.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, ILWU Local 142, Hawaii Insurers Council, Carpet Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund, Chamber of Commerce Hawaii, Hawaii Glaziers Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund, Pacific Resource Partnership, Painting Industry of Hawaii Labor Management and Cooperation Trust Fund, and Hawai'i Construction Alliance.

Your Committee finds that the Division has the fiduciary duty to administer the State's workers' compensation, temporary disability, and prepaid health care programs. Your Committee also finds that additional positions within the Division will allow the Division to expedite operations and increase efficiency to the benefit of injured workers, employers, health providers, insurers, and the State.

Your Committee has amended this measure by:

- (1) Specifying that the number of positions established be two full-time equivalent (2.0 FTE) positions;
- (2) Inserting an appropriation amount of \$112,078 per fiscal year;
- (3) Allowing the appropriated sums to be used for current expenses and equipment, in addition to the establishment of two positions; 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. 1208, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1208, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 941 Agriculture and Environment on H.B. No. 1389

The purpose and intent of this measure is to appropriate funds for the planning and design of scalable livestock harvest facilities.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Association; Hawaii Cattlemen's Council, Inc.; Hawai'i Farm Bureau; Hawaii Crop Improvement Association; Ponoholo Ranch, Limited; Paniolo Cattle Company; McCandless Ranch; The Maritime Group, LLC; Maui Cattle Company; Parker Ranch, Inc.; Hawaii Beef Producers LLC; Hawaii Farmers and Ranchers United; and five individuals.

Your Committee finds that the cattle industry in Hawaii has a long-standing history and has seen numerous changes in production practices, requiring adaptations to market conditions. Recently, there has been a resurgence in the number of cattle that remain in Hawaii for local consumption, giving rise to challenges for many facilities that are not equipped to handle the increased numbers of cattle. Your Committee finds that these facilities were built for a set throughput of livestock, which makes it difficult to effectively adapt to changing industry conditions, and therefore your Committee understands that funding is needed to provide plans for new livestock harvest facilities to benefit the livestock industry in the long term.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1389, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 942 Agriculture and Environment on H.B. No. 775

The purpose and intent of this measure is to:

- (1) Repeal the requirements that the Department of Agriculture (Department) grant permission prior to the removal of eggs from any dock or landing and certify that eggs contained in a shipment are properly marked;
- (2) Require importation and other documents to be furnished to the Department before imported eggs are offered for sale; and
- (3) Provide that a violation of section 147-75, Hawaii Revised Statutes, relating to required notice of grade and size and designation of origin of imported eggs, shall be considered an unfair method of competition and unfair and deceptive act or practice for which a person may bring an action.

Your Committee received testimony in support of this measure from the Department of Agriculture and Eggs Hawaii, Inc.

Your Committee finds that to ensure quality, condition, and proper designation of origin, eggs imported into the State from the mainland United States are USDA certified, which requires distributors and mainland egg suppliers to submit the appropriate paperwork and certificates to the Department for all incoming mainland eggs. Requiring the Department to issue certificates before mainland eggs can be removed from any dock or landing is therefore redundant and a misallocation of limited resources. Your Committee finds that this measure will increase the efficiency of the Department without negatively impacting the Department's authority and ability to enforce mislabeled or unmarked imported eggs as to origin.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 943 Agriculture and Environment on H.B. No. 643

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for capital improvements to the Waiahole irrigation system.

Your Committee received testimony in support of this measure from the Department of Agriculture; Agribusiness Development Corporation; Land Use Research Foundation of Hawaii; Hawaii Cattlemen's Council, Inc.; Hawaii Crop Improvement Association; Maui County Farm Bureau; Monsanto; Hawai'i Farm Bureau; Hawaii Farmers and Ranchers United; Local Food Coalition; and one individual.

Your Committee finds that a reliable irrigation system is the lifeline of Hawaii's agricultural industry. To ensure that Hawaii's crops receive a steady and dependable supply of water, sufficient funding is needed to maintain and improve Hawaii's irrigation systems.

Your Committee recommends that if your Committee on Ways and Means chooses to pass this measure, that it consider inserting a general obligation bond issuance and appropriation amount of \$8,000,000 for the purpose of making capital improvements to the Waiahole irrigation system.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 643, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 944 Housing on H.B. No. 1009

The purpose and intent of this measure is to exempt residence or occupancy in a structure or on a property directly controlled by the Hawaii Public Housing Authority from the requirements of the residential landlord-tenant code.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Hawaii Association of REALTORS.

Your Committee finds that existing exemptions to the landlord-tenant code for public housing projects or complexes controlled, owned, or managed by the Hawaii Public Housing Authority pursuant to the federal Low Rent Public Housing Program result in eighty-six percent of Hawaii Public Housing Authority properties being exempt from the code. Your Committee further finds that, pursuant to federal rules, the Authority complies with strict requirements when handling tenant issues and evictions, including adherence to board hearings and peer review prior to decision making. This measure will provide an exemption from the landlord-tenant code for the remaining fourteen percent of Hawaii Public Housing Authority properties, allowing for greater equality between those in federal and state public housing and ensuring that all tenants receive the same due process regardless of the property in which they reside.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1009, H.D. 3, and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 945 Housing on H.B. No. 530

The purpose and intent of this measure is to:

- (1) Update the Downpayment Loan Program under the Hawaii Housing Finance and Development Corporation; and
- (2) Establish a Downpayment Loan Loss Reserve Program to assist low- and moderate-income households to become first-time homebuyers.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Hawaii Association of REALTORS; and one individual.

Your Committee finds that the existing Downpayment Loan Program was created over twenty years ago and has been inactive for some time due to funding and programmatic constraints. Your Committee further finds that changes in the housing market since the Downpayment Loan Program was established necessitate changes to the program. This measure will update the program to help make affordable homeownership more achievable for Hawaii households.

Your Committee has amended this measure by:

- (1) Removing language establishing a Downpayment Loan Loss Reserve 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 530, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 530, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 946 Agriculture and Environment on H.B. No. 446

The purpose and intent of this measure is to make an appropriation for the acquisition of land, planning, design, and construction of an agricultural park in South Maui that could be used for diversified crops.

Your Committee received testimony in support of this measure from the Department of Agriculture; Kihei Community Association; Sierra Club of Hawai'i; We Are One, Inc.; and nine individuals.

Your Committee finds that agricultural parks support sustainable farming, diversified agriculture, and job creation. Your Committee also finds that the recent closure of Hawaiian Commercial & Sugar Company on the island of Maui presents an opportunity for the State to nurture the growth of small, sustainable farms capable of employing agricultural workers who have been affected by the plantation closure. Your Committee finds that an agricultural park in South Maui would provide economic opportunities and increase local food production in the area in alignment with the State's goal of food sustainability.

Your Committee has amended this measure by:

- (1) Making it effective on July 1, 2017; 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 Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 446, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 446, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 947 Agriculture and Environment on H.B. No. 453

The purpose and intent of this measure is to establish in the Department of Agriculture the food safety certification costs grant program to assist farmers and ranchers in meeting the costs of compliance with the FDA Food Safety Modernization Act, Food and Drug Administration regulations, and state food safety laws.

Your Committee received testimony in support of this measure from the Department of Agriculture; Ulupono Initiative; Hawaii Cattlemen's Council, Inc.; Maui Chamber of Commerce; Hawaii Crop Improvement Association; Hawai'i Farm Bureau; Hawaii Food Manufacturers Association; Hawaii Farmers and Ranchers United; Hawaii Aquaculture and Aquaponics Association; and twenty-three individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the purpose of the FDA Food Safety Modernization Act is to ensure that the United States food supply is safe by shifting the focus from responding to contamination to preventing it. Your Committee also finds that it may be difficult and costly for farmers and ranchers in the State to comply with the requirements of the FDA Food Safety Modernization Act and other federal and state food safety regulations. Your Committee believes that this measure will support Hawaii's agricultural industry by

assisting farmers and ranchers with compliance with the FDA Food Safety Modernization Act, Food and Drug Administration regulations, and state food safety laws.

Your Committee has amended this measure by making it effective on July 1, 2017.

Your Committee recommends that if your Committee on Ways and Means chooses to pass this measure, that it consider inserting an appropriation amount of \$1,000,000 for implementation of the food safety certification costs grant program and related administrative costs.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 453, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 453, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 948 Agriculture and Environment on H.B. No. 728

The purpose and intent of this measure is to expand the general excise tax exemption for amounts received from the inter-island loading, transportation, and unloading of agricultural products to include floricultural, horticultural, viticultural, forestry, nut, coffee, dairy, livestock, poultry, bee, animal, and any other farm, agronomic, or plantation products.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Crop Improvement Association; Hawaii Cattlemen's Council, Inc.; Ulupono Initiative; Maui Chamber of Commerce; Hawai'i Farm Bureau; Maui County Farm Bureau; Maui Cattle Company; The Maritime Group, LLC; Ponoholo Ranch, Limited; McCandless Ranch; Hawaii Beef Producers LLC; Hawaii Farmers and Ranchers United; and seventeen individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Meadow Gold Dairies.

Your Committee finds that Hawaii's many agricultural industries, particularly its livestock industry, face numerous challenges. This measure seeks to assist Hawaii's agricultural industries to reduce operating costs, and eventually reduce the cost of purchasing local agricultural products by local consumers, to ensure the sustainability of Hawaii's agricultural industries.

Your Committee has amended this measure by:

- (1) Making the general excise tax exemption applicable to taxable years beginning after December 31, 2017;
- (2) Making it effective on July 1, 2017; 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 and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 728, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 728, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 949 Agriculture and Environment on H.B. No. 961

The purpose and intent of this measure is to exclude from the computation of taxable state income a certain amount of income earned by qualifying farmers from food or value-added food products grown or raised by a farmer and sold within the State, provided that the farmer's annual gross income does not exceed a specified amount.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Crop Improvement Association, Maui Chamber of Commerce, Hawai'i Farm Bureau, Counter Culture Farm, and one individual. Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, Tax Foundation of Hawaii, and one individual.

Your Committee finds that the growth of small, diversified farming businesses adds to and diversifies Hawaii's economy. Your Committee finds that the creation of an exclusion from income tax for a certain amount of income earned from such businesses will encourage the growth of new, small, and diversified farming businesses, will not significantly affect tax collections by the State, and will improve the long-term economic well-being of the State.

Your Committee has amended this measure by:

- (1) As recommended by the Department of Taxation:
 - (A) Expanding the income tax exemption to include farmers with the tax filing statuses of married filing separately and head of household; and
 - (B) Applying the income tax exemption to taxable years beginning after December 31, 2017;
- (2) As recommended by the Department of the Attorney General, removing language that requires a "farmer" to sell the food or products within the State in order for the exemption to apply;
- (3) Making it effective on July 1, 2017; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee recommends that if your Committee on Ways and Means chooses to pass this measure that it consider amendments to apply the income tax exemption to the first \$5,000 of income earned by a farmer; provided that the farmer's annual gross income does not exceed \$50,000 if filing a tax return as a single taxpayer and does not exceed \$100,000 if filing a tax return as married filing jointly.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 961, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 961, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 950 Agriculture and Environment on H.B. No. 1230

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc., with the expansion of its operations.

Your Committee received testimony in support of this measure from the Department of Agriculture; Office of Economic Development, County of Maui; ILWU Local 142; Maui Coffee Association; Hawaii Coffee Association; Hawaii'i Farm Bureau; Maui County Farm Bureau; MauiGrown Coffee, Inc.; Alexander & Baldwin, Inc.; Hawaii Coffee Company; Go Maui, Inc.; and eight individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the proceeds of the sale of special purpose revenue bonds will be used by MauiGrown Coffee, Inc., to expand operation of its coffee farm and mill in Pu'uukoli'i, Maui. Your Committee further finds that the issuance of these special purpose revenue bonds is in the public interest and will benefit the public health, safety, and general welfare.

Your Committee has amended this measure by:

- (1) Making it effective on July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1230, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1230, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 951 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 783

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to establish a two-year agricultural theft pilot project to focus on investigating and prosecuting agricultural theft and agricultural vandalism in the County of Hawaii; and
- (2) Appropriate funds to the Department of Agriculture to establish and implement the pilot project.

Your Committees received testimony in support of this measure from the Department of Agriculture; Office of the Mayor of the County of Hawaii; Office of the Prosecuting Attorney, County of Hawaii; Ulupono Initiative; Hawaii'i Farm Bureau; Hawaii Floriculture and Nursery Association; Hawaii Cattlemen's Council, Inc.; and fifteen individuals.

Your Committees find that agricultural theft and vandalism in the County of Hawaii are impediments to running a successful and profitable farming operation and are harmful to consumers. Agricultural theft and vandalism are a serious, ongoing problem, with farmers reporting theft of crops, animals, equipment, and tools, and vandalized fences and gates. Since many incidents of agricultural theft and vandalism are not reported, the annual monetary losses can only be estimated in the millions of dollars. By establishing an agricultural theft and vandalism pilot project for the County of Hawaii, this measure provides additional focus on investigating and prosecuting agriculture theft and vandalism.

Your Committees have amended this measure by:

- (1) Requiring the Department of Agriculture to submit its report to the Legislature no later than December 31, 2019;
- (2) Making it effective on July 1, 2017; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees recommend that if your Committees on Judiciary and Labor and Ways and Means choose to pass this measure that they consider inserting an appropriation amount of \$100,000 for the agricultural theft and vandalism pilot project.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 783, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 783, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.
Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 952 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on H.B. No. 606

The purpose and intent of this measure is to authorize the counties, through their employees or authorized agents, to enter private property to control or eradicate invasive species and pests.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Office of the Mayor, Maui County; Big Island Invasive Species Committee; Conservation Council for Hawai'i; Hawai'i Association of REALTORS; The Nature Conservancy Hawai'i; and four individuals. Your Committees received testimony in opposition to this measure from Best Friends Animal Society and one individual. Your Committees received comments on this measure from The Humane Society of the United States Hawaii.

Your Committees find that invasive species and pests are a persistent and real threat to the State. Invasive species and pests can swiftly and permanently alter the ecosystem of the State if not effectively eradicated. To ensure the rapid and complete removal of such species and pests, it is essential to allow the counties, through their employees or authorized agents, to have authority to enter onto private property when necessary to control or eradicate invasive species and pests.

Your Committees have amended this measure by inserting an effective date of July 1, 2017.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 606, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 606, H.D. 2, S.D. 1, and be referred to your 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 (Wakai).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

SCRep. 953 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on H.B. No. 1418

The purpose and intent of this measure is to amend the county exemptions from building permit and building code requirements to ensure that Hawai'i's communities are not suspended from participation in the National Flood Insurance Program.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Department of Agriculture; Department of Land and Natural Resources; Hawaii Emergency Management Agency; Department of Planning and Permitting for the City and County of Honolulu; American Council of Engineering Companies of Hawaii; Hawai'i Association of REALTORS; Hawaii Bankers Association; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau; Hawaii Financial Services Association; Hawaii Independent Insurance Agents Association; Hawaii Insurers Council; Hawaii Credit Union League; Ponoholo Ranch Limited; and one individual.

Your Committees find that it essential that state laws establishing building code and building permit requirements comply with the requirements of the National Flood Insurance Program as administered by the Federal Emergency Management Agency. Failure to maintain compliance with the program's requirements could result in the Federal Emergency Management Agency initiating suspension procedures throughout the State, which could lead to the loss of National Flood Insurance Program insurance coverage and impact eligibility for certain federal disaster assistance. Certain aspects of the building code and permit requirement statutes have allowed for some agricultural buildings, structures, and appurtenances to fall outside the National Flood Insurance Program requirements. Accordingly, this measure:

- (1) Requires an owner or occupier intending to utilize the exemption to the building code and permit requirements under section 46-88, Hawaii Revised Statutes, to provide written notice to the appropriate county agency of the final as-built size, type, and location of the proposed building;
- (2) Adds new definitions for "development" and "dwelling" under section 46-88, Hawaii Revised Statutes;
- (3) Amends the definition of "agricultural building" under section 46-88, Hawaii Revised Statutes, to include development;
- (4) Requires the appropriate county agency to determine that a building permit is not necessary to comply with local, state, and federal floodplain management development standards, or National Flood Insurance Program regulations in order for work on the building to commence; and
- (5) Establishes that section 46-88, Hawaii Revised Statutes, does not exempt any new or existing agricultural buildings, structures, related appurtenances, or other development from local, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to National Flood Insurance Program requirements.

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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1418, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1418, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

SCRep. 954 (Joint) Public Safety, Intergovernmental, and Military Affairs and Government Operations on H.B. No. 637

The purpose and intent of this measure is to expedite the review, update, and adoption of the Uniform Plumbing Code as it relates to the Hawaii State Building Codes and appropriate funds for the State Building Code Council to carry out its duties and hire additional staff.

Your Committees received testimony in support of this measure from the Nature Conservancy of Hawai'i; Surfrider Foundation Kauai; Sierra Club of Hawaii; Hawai'i Green Growth; Plumbers and Fitters Local 675; One World One Water, LLC; and two individuals. Your Committees received testimony in opposition to this measure from the State Building Code Council and General Contractors Association of Hawaii. Your Committees received comments on this measure from the State Fire Council and Honolulu Fire Department.

Your Committees find that maintaining and conserving the State's fresh water supply is vital to the State's future health. Scientists predict that warmer and drier conditions throughout the Pacific region will result in drought and rising temperatures, thus causing a decrease of fresh water supplies. Therefore, changes should be made so that the State can increase its ability to capture, store, and efficiently use fresh water. One means of accomplishing these needed changes is through amendments to the Uniform Plumbing Code, through the state building codes, which will encourage water resource conservation, improvements to water distribution, and recovery of used water. Accordingly, this measure seeks to expedite the review, update, and adoption of the Uniform Plumbing Code as it relates to the Hawaii State Building Codes by:

- (1) Requiring the State Building Code Council to adopt necessary and desirable amendments to the Uniform Plumbing Code within one year after the updated Uniform Plumbing Code is published;
- (2) Requiring each county to adopt the necessary and desirable amendments to the Uniform Plumbing Code within one year after the updated Uniform Plumbing Code is adopted by the State Building Code Council; and
- (3) Establishing the Uniform Plumbing Code as the interim county building code if not adopted by the county within the one-year time frame.

However, your Committees understand the testimony offered by the State Building Code Council that this measure's one-year time frame for updating the Uniform Plumbing Code is unrealistic given the Council's staffing issues and inadequate funding. Consequently, as written, this measure would likely have little or no impact. Your Committees suggest that if your Committees on Commerce, Consumer Protection, and Health and Ways and Means decide to hear this measure, that those Committees make further inquiry into what would constitute an appropriate amount of time for the State Building Code Council to adopt necessary amendments to the Uniform Plumbing Code.

Accordingly, your Committees have amended this measure by replacing all references to a one-year time frame for the adoption of amendments to the Uniform Plumbing Code with an unspecified time frame.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 637, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 637, H.D. 2, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health 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 (Wakai).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 955 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 377

The purpose and intent of this measure is to require building permit applicants and their subcontractors to verify that they hold workers' compensation coverage or state-approved self-insurance coverage as a prerequisite for the issuance of a building permit.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Construction Alliance, and Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Office of the Mayor, County of Kauai; and Subcontractors Association of Hawaii. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Your Committee finds that maintaining a fair, efficient, and effective workers' compensation system is essential for protecting the State's workers. Many of the State's workers are employed in the construction industry. Therefore, ensuring that contractors and subcontractors, unless exempted by law, have secured workers' compensation coverage or state-approved self-insurance is essential to protect workers. Accordingly, this measure:

- (1) Requires building permit applicants and their subcontractors to verify that they hold workers' compensation coverage, state-approved self-insurance coverage, or are exempt from coverage requirements at the time of submitting an application for a building permit;
- (2) Requires the county building permitting agency to suspend any building permit upon receiving notice that the workers' compensation coverage or state-approved self-insurance has been canceled or has expired; and
- (3) Requires coordinated communication between county building permitting agencies and the Director of Labor and Industrial Relations to ensure compliance.

Your Committee, however, notes the testimony of the Department of Labor and Industrial Relations relating to its ability to enforce the provisions of this measure. Your Committee recognizes that, as written, this measure's requirements would stress the Department's limited staffing and resources and prolong the permitting process. Therefore, your Committee agrees with the Department that enforceability of this measure's provisions would be more efficient and effective if building permit applicants and their subcontractors

were required to provide actual evidence of existing workers' compensation coverage or state-approved self-insurance coverage to the appropriate county building permitting agency rather than providing the permitting agency with a mere signed declaration of coverage. Accordingly, your Committee has amended this measure by:

- (1) Removing all language relating to the submission of a signed declaration of workers' compensation coverage or state-approved self-insurance by building permit applicants or their subcontractors at the time of submitting an application for a building permit and the Director of Labor and Industrial Relations' duty to verify the coverage or insurance or any exemption from coverage or insurance requirements;
- (2) Requiring building permit applicants and their subcontractors to provide the county with a certificate of liability insurance issued by the workers' compensation insurance carrier or a self-insurance authorization pursuant to chapter 386, Hawaii Revised Statutes, at the time of submitting an application for a building permit; 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. 377, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 377, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 956 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1135

The purpose and intent of this measure is to amend Act 139, Session Laws of Hawaii 2012, as amended, to make certain provisions of the Justice Reinvestment Initiative relating to pretrial risk assessments, parole, and parole hearings permanent.

Your Committee received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Crime Victim Compensation Commission, Community Alliance on Prisons, and three individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu.

Your Committee finds that overcrowding of prisons poses a significant threat to the health, safety, and welfare of the public. The purpose of this measure is to ensure the continued effectiveness of the Justice Reinvestment Initiative in reducing recidivism and promoting public safety by making permanent its provisions relating to timely pretrial risk assessments, confinement duration of a prisoner retaken on a parole violation, the use of validated research-based risk assessments by the Hawaii Paroling Authority, and victim restitution.

Your Committee, however, recognizes the concerns raised by the Honolulu Department of the Prosecuting Attorney concerning the ineffectiveness of section 10 of Act 139, Session Laws of Hawaii 2012, in facilitating the payment of restitution to crime victims since a vast majority of offenders owing restitution are not in prison. Accordingly, your Committee has amended this measure by:

- (1) Inserting language from H.B. No. 305, Regular Session of 2017, which:
 - (A) Creates standards and procedures for income-withholding from those owing restitution to crime victims;
 - (B) Establishes unpaid restitution as a valid debt for the purposes of withholding state income tax refunds;
 - (C) Requires that money deposited by way of bail or bond be applied to any restitution, fines, or fess ordered by the court before any balance is returned to a defendant; and
 - (D) Extends victims' access to payment compliance records for purposes of enforcing restitution orders, without the assessment of any filing fees or surcharges; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee also has some concerns that the language of Act 139, Session Laws of Hawaii 2012, may allow some prisoners to be released on parole without a parole plan for the prisoner in place, which could pose a significant risk to the public welfare. Your Committee, however, was unable to fully investigate this seeming ambiguity through its hearing. Therefore, if your Committees on Judiciary and Labor and Ways and Means decide to hear this measure, those Committees may want to conduct further inquiry into Act 139's language to ensure that all parolees have a parole plan in place prior to their release.

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. 1135, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1135, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 957 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1172

The purpose and intent of this measure is to:

- (1) Establish property owner liability for illegal aerial devices possessed or set off on their property by others;
- (2) Simplify the definition of aerial device; and
- (3) Allow probable cause for fireworks offenses to be established from statements from witnesses and photographs, video, and other recordings authenticated by witnesses.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, Maui Fire Department, Poi Dogs & Popoki, and twelve individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; and American Promotional Events, Inc.

Your Committee finds that the use of illegal aerial fireworks is a threat to the public's health, safety, and welfare. While the use of certain aerial fireworks has been prohibited for some time, enforcement of this prohibition has been difficult. There are steps that may be taken to increase enforcement of the prohibition, such as holding property owners liable for aerial fireworks that emanate from their properties and allowing law enforcement to establish probable cause for fireworks offenses through statements from witnesses and photographs, video, and other recordings authenticated by witnesses.

Your Committee finds that making it easier for law enforcement to establish probable cause for prosecuting cases against illegal aerial fireworks offenders would help combat this ongoing problem. However, your Committee recognizes the concerns raised by the Honolulu Department of the Prosecuting Attorney that this measure, as written, may inadvertently limit, rather than enhance, law enforcement's ability to establish probable cause for illegal aerial fireworks use. Therefore, your Committee suggests that if your Committee on Judiciary and Labor decides to hear this measure, that it consider working with the Honolulu Department of the Prosecuting Attorney to address this concern.

Your Committee also understands the concerns raised in testimony noting that this measure's simplified definition of aerial fireworks is overbroad and, as such, would prohibit certain commercial fireworks that are legal, instead of focusing specifically on recreational aerial fireworks, which are the target of this measure.

Accordingly, your Committee has amended this measure by:

- (1) Removing section 2, which would have amended the definition of "aerial device" under section 132D-2, 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 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. 1172, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1172, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 958 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1246

The purpose and intent of this measure is to authorize electronic monitoring and surveillance of offenders, separate from curfew, in programs that offer alternatives to incarceration.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons and two individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu. Your Committee received comments on this measure from the Department of Public Safety and Office of Hawaiian Affairs.

Your Committee finds that overcrowding of prisons poses a significant threat to the health, safety, and welfare of the public. Therefore, it is important to explore and implement alternatives to incarceration. One effective alternative to incarceration that should be authorized is the use of electronic monitoring and surveillance for certain offenders who do not pose a significant risk to the community. Your Committee, however, understands the concerns of the Honolulu Department of the Prosecuting Attorney regarding ambiguities about the use of electronic monitoring or surveillance as written in this measure that may allow offenders to be released into home detention or curfew-based programs without any electronic monitoring. Accordingly, your Committee has amended this measure by:

- (1) Re-inserting language to allow the use of electronic monitoring or surveillance for alternative incarceration curfew programs; and
- (2) Allowing for the use of global positioning devices to monitor or surveil offenders.

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. 1246, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1246, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 959 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 144

The purpose and intent of this measure is to reauthorize an appropriation that is scheduled to lapse on June 30, 2017, and appropriate funds for mitigating hazardous situations statewide.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii Emergency Management Agency, and Department of Emergency Management, City and County of Honolulu.

Your Committee finds that the Governor's ability to authorize designated state employees, agents, contractors, or representatives to enter private property at reasonable times to mitigate situations deemed by the Governor to be hazardous to the health and safety of the public, even in the absence of an emergency or disaster pursuant to section 127A-18, Hawaii Revised Statutes, has been an effective program for mitigating hazards within the State. Funding for this program in the amount of \$1,000,000 was appropriated by the 2014

executive supplemental budget. However, this funding will lapse on June 30, 2017. Therefore, it is necessary to reauthorize the remaining funds available for the program.

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. 144, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 960 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 168

The purpose and intent of this measure is to appropriate funds for the planning and design of a memorial to honor service members of the recent conflicts in the Persian Gulf, Iraq, Afghanistan, and the various theaters of the Global War on Terrorism, to be located at the Hawaii State Veterans Cemetery in Kaneohe, on the island of Oahu, and for replicas of the memorial to be located at state veterans cemeteries statewide.

Your Committee received testimony in support of this measure from the Office of Veterans Services, Hawaii State Foundation on Culture and the Arts, and three individuals.

Your Committee finds that recognizing service members from Hawaii who have dutifully served to protect the freedom and liberties of the country is a noble and important endeavor. Indeed, the State already has memorials dedicated to those Hawaii service members who served in World War II, the Korean War, and the Vietnam War. Continuing this tradition of honoring Hawaii's service members, the Legislature enacted Act 139, Session Laws of Hawaii 2013, which required the Office on Veterans' Services to develop a plan for establishing a memorial dedicated to those service members who have served in the Persian Gulf, Iraq, Afghanistan, and the various theaters of the Global War on Terrorism. Subsequently, the Office on Veterans' Services established a task force to fulfill the Legislature's requirement, and the task force ultimately determined that the appropriate location for such a memorial would be at the Hawaii State Veterans Cemetery in Kaneohe, on the island of Oahu, with replicas to be located at state veterans cemeteries statewide. Based on that recommendation, this measure appropriates funds for the planning and design of the memorial and for replicas of the memorial to be placed at state veterans cemeteries statewide.

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. 168, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 961 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 456

The purpose and intent of this measure is to:

- (1) Require police chiefs to disclose to the Legislature the identity of an officer upon the officer's second suspension in a five-year period or discharge; and
- (2) Require disclosure under the Uniform Information Practices Act after a police officer's second suspension in a five-year period.

Your Committee received testimony in support of this measure from the Office of Information Practices, Honolulu Police Department, Society of Professional Journalists Hawaii Chapter, League of Women Voters, and one individual. Your Committee received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers, Maui Police Department, and one individual.

Your Committee finds that disclosing the identities of police officers who are discharged or suspended twice within a five-year period serves the public interest. Transparency and accountability of police officers are of great importance in maintaining the public's trust and confidence in law enforcement, and a healthy relationship between police and the public is essential for maintaining the health, safety, and welfare of the public.

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. 456, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 962 (Majority) Public Safety, Intergovernmental, and Military Affairs on H.B. No. 954

The purpose and intent of this measure is to exempt active members of the Hawaii Emergency Management Agency and county emergency management agencies from jury duty.

Your Committee received testimony in support of this measure from the Hawaii Emergency Management Agency; Department of Emergency Management, City and County of Honolulu; The Maritime Group, LLC; and seven individuals.

Your Committee finds that having emergency personnel available to respond swiftly and effectively to emergency situations is essential for protecting the health, safety, and welfare of the public. Therefore, it is important that active members of the Hawaii Emergency Management Agency and county emergency management agencies are able to properly and effectively serve in their roles. However, under existing law, the ability of active members of emergency management agencies to properly fulfill their duties may be hindered because these members are not exempt from jury duty. Accordingly, this measure creates an exemption for active members of

the Hawaii Emergency Management Agency and county emergency management agencies from jury duty so that these emergency personnel will be free to respond to emergency situations appropriately.

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. 954, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 963 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1420

The purpose and intent of this measure is to appropriate funds for burial grants for qualifying World War II Filipino-American veterans to provide funeral and burial services and transportation of their remains to the Philippines.

Your Committee received testimony in support of this measure from the Philippine Consulate General; Office of Veterans Affairs; Hawaii Civil Rights Commission; Friends of Civil Rights Hawaii; Hawaii Filipino Lawyers Association; Nursing Advocates and Mentors, Inc.; National Federation of Filipino American Associations Region 12; Filipino American Citizens League; and four individuals.

Your Committee finds that honoring the final wishes of World War II Filipino-American veterans is necessary for demonstrating the proper respect for the sacrifices that those veterans made in protecting the nation. Many World War II Filipino-American veterans have been separated from their families, who have remained in the Philippines, for a long time and it is regrettable that these veterans have not been able to be re-united with their families. Assisting World War II Filipino-American veterans still living in the State with any prospective funeral and burial costs, including the costs of returning their remains to the Philippines if they so desire, would demonstrate the State's appreciation and respect for their 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 is in accord with the intent and purpose of H.B. No. 1420, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 964 Commerce, Consumer Protection, and Health on H.B. No. 918

The purpose and intent of this measure is to increase the efficiency and quality of Hawaii's early intervention services by appropriating funds for a web-based data system in the Department of Health's Early Intervention Section.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, State Council on Developmental Disabilities, Special Education Advisory Council, Early Childhood Action Strategy, Hawaii Early Intervention Coordinating Council, Imua Family Services, Hawaii Children's Action Network, Chamber of Commerce for Persons with Disabilities-Hawaii, and one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that the Department of Health provides early intervention services through twenty service providers to approximately 3,500 children each year, and that early intervention services have numerous benefits for children, families, and society. A report from the Federal Reserve Bank of Minneapolis found an economic advantage of quality intervention services equal to an \$8 return for every \$1 invested in early intervention. Society benefits from healthier children, more efficient use of school services, and less use of the criminal justice system.

Your Committee further finds that while thirty-four states nationwide have web-based early intervention data systems, the Department of Health's Early Intervention Section data system is paper-based and outdated. Your Committee notes that updating to an efficient data system to coordinate and track services for toddlers and preschoolers will help ensure timely and appropriate interventions for vulnerable keiki, and that it is important to build interagency partnerships among state agencies in health, education, human services, and developmental disabilities to enhance the development of infants and toddlers with disabilities. Your Committee finds that updating the data system will improve tracking of services and progress of each child, better serve families, and generate better outcomes for Hawaii's keiki.

Your Committee has amended this measure by:

- (1) Inserting language to the purpose section to clarify that the proposed data system will have the capacity to interface with other state data systems containing information related to young children; and
- (2) Making 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, Consumer Protection, and Health 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 965 Water and Land on S.C.R. No. 50

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (1) 3-6-001:036, Waikiki, Honolulu, Oahu, for the maintenance and repair of the existing pier and seawall, and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on March 11, 2016, under agenda item D-8, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the pier and seawall identified in this measure, subject to the easement grantee paying the State the fair market value of the easement as determined by an independent appraisal. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing pier and seawall, and for use, repair, and maintenance of the existing improvements thereon.

Your Committee has amended this measure by:

- (1) Inserting the name of the current owner of the abutting property;
- (2) Clarifying that the easement runs with the land for the term of the easement and inures to the benefit of the real property identified as tax map key: (1) 3-6-001:036, Waikiki, Honolulu, Oahu;
- (3) Amending its title to make a technical, nonsubstantive amendment; and
- (4) 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. 50, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 50, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 966 Economic Development, Tourism, and Technology on H.B. No. 1326

The purpose and intent of this measure is to advance the State's economic development, sustainability, and diversity by appropriating funds for a market assessment study to assess the feasibility of developing a basalt fiber facility in Hawaii.

Your Committee received testimony in support of this measure from the Pacific International Space Center for Exploration Systems; Hawaii Island Economic Development Board; Oceanit, Laboratories, Inc.; and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the High Technology Development Corporation.

Your Committee finds that basalt's unique properties make it an excellent material for a variety of specialized applications. Basalt fibers are currently being used in the manufacturing of various products that include rebar, mesh, rope, and fabric. However, currently, there is no domestic producer of basalt fiber. Your Committee further finds that state funding for a market study to evaluate the feasibility of developing a basalt fiber facility in Hawaii could capitalize on Hawaii's basalt resources and create long-term benefits to the State's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1326, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Baker).

SCRep. 967 Economic Development, Tourism, and Technology on H.B. No. 1327

The purpose and intent of this measure is to appropriate funds to the High Technology Development Corporation for the manufacturing development program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Food Industry Association; Hawaii Farm Bureau; Hawaii Coffee Company; Kauai Island Brewing Company; Aloha Shoyu Company, Ltd.; Makai Ocean Engineering, Inc.; Oceanit Laboratories, Inc.; Meadow Gold Dairies; KYD, Inc., dba: K. Yamada Distributors; Hawaii Fish Company; Maui Brewing Company; and two individuals.

Your Committee finds that the High Technology Development Corporation is a key state agency that helps to develop and support the manufacturing industry in the State. Due to its remote location, Hawaii must constantly work to lower the cost of consumer goods in the State while stimulating economic growth through exports of locally-made products. Your Committee further finds that the manufacturing development program within the High Technology Development Corporation stimulates economic growth, increases development, and creates jobs related to Hawaii-made products.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1327, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 968 Economic Development, Tourism, and Technology on H.B. No. 595

The purpose and intent of this measure is to appropriate funds to continue the small business innovation research program within the High Technology Development Corporation.

Your Committee received testimony in support of this measure from the High Technology Development Corporation; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Farm Bureau; Navatek; Oceanit Laboratories, Inc.; Makai Ocean Engineering, Inc.; OmniGreen Renewables LLC; Experiad Solutions; Kampachi Farms, LLC; Spectrum Photonics; Studio Kinection, Inc.; Hawaii Food Industry Association; Hawaii Evolutionary Development, LLC; Reef Capital Ventures; Hawaii Fish Company; and one individual.

Your Committee finds that the High Technology Development Corporation is a key state agency in developing and supporting the innovation industry in the State and has been providing Phase I matching grants to companies awarded federal Small Business Innovation Research program grants since 1989. In 2016, the High Technology Development Corporation began awarding Phase II and Phase III matching grants, and there were more eligible applicants than available funds. Your Committee finds that in 2016, the Legislature extended the lapse date of a previous appropriation and appropriated additional funding for the Hawaii small business innovation research program within the High Technology Development Corporation. Your Committee further finds that continuing the program and supporting small businesses through commercialization assistance are important to the innovation industry in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 595, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 969 Economic Development, Tourism, and Technology on H.B. No. 475

The purpose and intent of this measure is to:

- (1) Extend the sunset provision of Act 39, Session Laws of Hawaii 2015, which requires certain motion picture theaters to provide open movie captioning and audio descriptions for certain motion pictures at certain times; and
- (2) Require the Department of Business, Economic Development, and Tourism to conduct an impact survey.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Civil Rights Commission; Disability and Communication Access Board; and five individuals.

Your Committee finds that Act 39, Session Laws of Hawaii 2015, requires certain public accommodations to, among other things, provide open captioning during at least two showings per week of each motion picture that is produced and offered with open captioning and provide audio descriptions upon request of any motion picture that is produced and offered with audio descriptions. Your Committee finds that the Act has been successfully implemented in Hawaii and has made the State a national leader in creating movie theater accessibility. Your Committee further finds that removing the sunset provision of the Act is important to ensure the movie theater accessibility standards continue.

Your Committee notes that the companion to this measure, S.B. No. 1156 (Regular Session of 2017), which was previously passed by the Senate, is a similar measure that removes the sunset provision of Act 39, Session Laws of Hawaii 2015. Your Committee concludes that the language in S.B. No. 1156 is preferable because it excludes the Department of Business, Economic Development, and Tourism impact survey, which is ambiguous as to methodology that would avoid violating the Americans with Disabilities Act. Your Committee further concludes that the language of S.B. No. 1156 is preferable because it removes the sunset provision altogether, thereby making the requirements permanent.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 1156, which removes the sunset provision of Act 39, Session Laws of Hawaii 2015, and takes effect on July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 475, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 475, H.D. 1, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 970 (Joint) Agriculture and Environment and Commerce, Consumer Protection, and Health on H.B. No. 1351

The purpose and intent of this measure is to:

- (1) Authorize the Director of Health to expend monies from the electronic device recycling fund to support county electronics collections; and
- (2) Make an appropriation to reimburse the counties of Hawaii, Kauai, and Maui for expenses incurred during 2015 and 2016 related to the collection services associated with handling and collecting electronic devices for recycling.

Your Committees received testimony in support of this measure from the Department of Health, Office of the Mayor of the County of Hawai'i, Department of Environmental Management of the County of Hawaii, Consumer Technology Association, and five individuals.

Your Committees find that electronic device recycling prevents toxins, such as lead, from leaching into the environment and harming the environment and human health, saves space in landfills, and allows valuable resources contained in electronic devices,

such as copper, gold, and aluminum, to be reclaimed for future use. Your Committees also find that the counties engage in electronic device collection but do not receive monies from the electronic device recycling fund. This measure allows funding to go to the counties and ensures that the electronic device recycling program may continue.

Your Committees have amended this measure by making it effective on July 1, 2017.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1351, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1351, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Chang).

SCRep. 971 (Joint) Agriculture and Environment and Commerce, Consumer Protection, and Health on H.B. No. 1536

The purpose and intent of this measure is to:

- (1) Clarify that the Board of Agriculture has the power to acquire property by eminent domain for the construction and maintenance of water facilities that convey, distribute, and transmit water for agricultural uses, but not for domestic use; and
- (2) Amend the definition of “public utility” in chapter 269, Hawaii Revised Statutes, to exclude:
 - (A) Any person who controls, operates, or manages plants or facilities developed for conveying, distributing, and transmitting non-potable water, and any irrigation project established pursuant to chapter 167, Hawaii Revised Statutes; and
 - (B) Any board of water supply that manages, controls, and operates the waterworks of a county for the purpose of supplying water to the public in that county.

Your Committees received testimony in support of this measure from the Department of Agriculture; Land Use Research Foundation of Hawaii; Maui Chamber of Commerce; City and County of Honolulu Board of Water Supply; Kalepa Coalition; Saiva Siddhanta Church; East Kauai Water Users’ Cooperative; Maui County Farm Bureau; Hawai‘i Farm Bureau; Ponoeholo Ranch, Limited; and two individuals. Your Committees received testimony in opposition to this measure from the Sierra Club of Hawai‘i and seven individuals. Your Committees received comments on this measure from the Public Utilities Commission, Department of Commerce and Consumer Affairs Division of Consumer Advocacy, and Office of Hawaiian Affairs.

Your Committees find that there are many non-potable water systems across the State that provide non-potable water for agricultural purposes. There is concern that Public Utilities Commission regulations intended for privately owned utilities may be applied to state-owned agricultural irrigation systems overseen by the State’s Commission on Water Resource Management. Your Committees find that this measure clarifies state law in alignment with policies currently followed by the Department of Agriculture and Public Utilities Commission.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1536, H.D. 2, and recommend that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 5; Ayes with Reservations (Riviere, Ruderman). Noes, none. Excused, none.

Commerce, Consumer Protection, and Health: Ayes, 6; Ayes with Reservations (Ihara, Ruderman). Noes, none. Excused, 1 (Chang).

SCRep. 972 Commerce, Consumer Protection, and Health on H.B. No. 1410

The purpose and intent of this measure is to:

- (1) Repeal the emergency medical services special fund and redirect the special fund’s revenue sources to the general fund;
- (2) Appropriate general funds in an amount equal to the emergency medical services special fund revenues for fiscal year 2015-2016 to the Department of Health for purposes of overseeing the state comprehensive emergency medical services system;
- (3) Require and appropriate funds to the Department of Health to establish and report to the Legislature on a two-year pilot program that permits county regulation and operation of ambulance service in the County of Hawaii and the City and County of Honolulu and preserves the Department’s statewide systems for billing and collections, communications, and medical records;
- (4) Authorize the counties to expend a portion of Transient Accommodations Tax revenues to purchase vehicles, equipment, and supplies, and pay any other costs incurred to supplement existing ambulance services; and
- (5) Establish and appropriate funds for a three-year Community Paramedic Services Pilot Program, to be administered by the Department of Health.

Your Committee received testimony in support of this measure from the American Medical Response and two individuals. Your Committee received testimony in opposition to this measure from the Maui County Council, Office of the Mayor of the County of Hawai‘i, Honolulu Emergency Services Department, County Council of Maui, and two individuals. Your Committee received comments on this measure from the Department of Health, Tax Foundation of Hawaii, County of Hawai‘i Fire Department, and Hana Health.

Your Committee finds that it is essential that emergency medical services are provided with sufficient resources to ensure the safety and health of residents in this State. Presently, the emergency medical services special fund provides funding for emergency medical services through revenue from the cigarette tax, motor vehicle registration fee, and investment pool returns. However, by repealing the emergency medical services special fund and designating general funds to the emergency medical services system, this measure provides a more stable source of revenue or method of finance to assure uninterrupted services and continuity of the State's emergency medical services system.

Your Committee notes the significant amount of testimony on this measure indicating that the existing statewide comprehensive emergency medical services system functions well and is effective and that each county should not be responsible for regulating and operating its own ambulance services. Your Committee concurs and finds that it is important for the State to have an integrated, statewide emergency medical services system. Your Committee acknowledges that each county's emergency medical services are unique to the needs of the area but finds that working together as a statewide system is valuable and necessary to safeguard public health and safety consistently across the State.

Your Committee further finds that community paramedic services can improve health in the State by addressing calls involving non-emergency services, post hospital discharge care, the homeless population, hospice care, behavioral health, and acute and chronic medical conditions. Your Committee received testimony from the Hawai'i Fire Department indicating that community paramedic services are well received by the community, significantly improve long term quality of life for community members, and produce measureable cost savings.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the provision that authorized the counties to expend a portion of the Transient Accommodations Tax revenues to purchase items related to ambulance services;
- (2) Deleting the provisions related to the pilot program permitting county regulation and operation of ambulance services in the County of Hawaii and the City and County of Honolulu;
- (3) Deleting the provisions related to a three-year Community Paramedic Services Pilot Program and inserting a blank appropriation amount for community paramedic services; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1410, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1410, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 973 Commerce, Consumer Protection, and Health on H.B. No. 50

The purpose and intent of this measure is to:

- (1) Establish an appraisal management company registration program within the Department of Commerce and Consumer Affairs to conform to minimum standards for appraisal management companies established under federal law and regulations; and
- (2) Appropriate an unspecified sum out of the Compliance Resolution Fund to implement the appraisal management company registration program.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Hawaii Credit Union League, Hawai'i Association of REALTORS, Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii, Hawaii Bankers Association, Real Estate Valuation Advocacy Association, and one individual. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that appraisal management companies, commonly referred to as AMCs, are business entities that administer networks of independent appraisers who prepare appraisals on behalf of lenders. AMCs serve as intermediaries to ensure independence between the appraiser and loan originator and also perform essential functions in many residential transactions, including coordinating appraisal completion, maintaining a panel of qualified appraisers, serving as a liaison between the appraiser and lender, and performing quality control reviews of the appraisal before sending it to the lender.

Your Committee further finds that the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) directed six federal financial regulatory agencies to promulgate rules on the minimum requirements for states to register and supervise AMCs. Your Committee notes that Dodd-Frank does not compel a state to establish an AMC registration and supervision program, nor does the Act penalize a State who has not established a regulatory structure within thirty-six months of issuance of the final rule regulating AMCs. However, in states that have not adopted AMC minimum requirements, AMCs are barred from providing appraisal management services for federally-related transactions, unless the AMCs are owned and controlled by a federally-regulated depository institution. According to testimony received by your Committee, Hawaii is one of only ten states that have not enacted legislation to regulate AMCs. Furthermore, the absence of state regulation may deter some lenders from offering mortgage financing in the State, which may disrupt the mortgage loan process for consumers, lenders, and real estate professionals. This measure establishes a registration program for AMCs, thus ensuring that Hawaii's residential mortgage consumers have the widest range of financing choices available.

Finally, your Committee notes that while this measure remains a work in progress, the Department of Commerce and Consumer Affairs has indicated it is continuing to engage in discussions with interested stakeholders to resolve any remaining issues with this measure.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "affiliate";
- (2) Requiring each appraisal management company that applies for or renews a registration to post with the Director of Commerce and Consumer Affairs a surety bond in the amount of \$25,000, and specifying the requirements to maintain the bond, rather than permitting the director to require a surety bond of not more than \$25,000;
- (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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 50, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 974 Judiciary and Labor on H.B. No. 232

The purpose and intent of this measure is to clarify the allowable scope of collective bargaining negotiations regarding the rights and obligations of a public employer.

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; United Public Workers, AFSCME, Local 646, AFL-CIO; and Hawaii Fire Fighters Association, International Association of Fire Fighters Local 1463, AFL-CIO. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance, Department of Human Resources Development, Department of Education, Office of Collective Bargaining, and County of Hawaii Office of the Mayor.

Your Committee finds that government is more effective when public employees share in the decision-making process affecting wages and working conditions. Fairness in this process and cooperation between parties are essential to a healthy collective bargaining environment. Your Committee finds that this measure promotes fairness between public employers and respective bargaining units in the joint decision-making process.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 232, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 232, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 975 Judiciary and Labor on H.B. No. 1114

The purpose and intent of this measure is to:

- (1) Increase monetary penalties for Hawaii Occupational Safety and Health (HIOSH) violations;
- (2) Require the Director of Labor and Industrial Relations to adjust the penalties each year pursuant to federal law; and
- (3) Require the Director of Labor and Industrial Relations to report the penalty adjustments to the Legislature each year.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, ILWU Local 142, Carpet Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund, Hawaii Glaziers Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund, and Hawaii Tapers Market Recovery Trust Fund.

Your Committee finds that compliance with federal Occupational Safety and Health Administration (OSHA) standards ensures federal funding for the HIOSH Division. Your Committee also finds that monetary penalties for violations under HIOSH have not been increased since 1990, because OSHA was exempt from the Federal Civil Penalties Inflation Adjustment Act of 1990, which directed agencies to adjust civil monetary penalties for inflation. Congress has recently enacted the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act), which applies to monetary penalties under OSHA. This measure increases HIOSH monetary penalties in conformity with the 2015 Act.

Your Committee has amended this measure by:

- (1) Inserting the penalty amounts that were included in the original version that was introduced;
- (2) Specifying that the Director of Labor and Industrial Relations must submit an annual report to the Legislature no later than twenty days prior to the convening of each regular session; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee has received conflicting information regarding the apparent discrepancy in section 396-10(f), Hawaii Revised Statutes, as to the minimum penalty to be assessed for repeat violations and suggests that this matter be discussed further as this measure continues through the legislative process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1114, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 976 Judiciary and Labor on H.B. No. 1182

The purpose and intent of this measure is to require the actuary to conduct an annual stress test of the Employees' Retirement System (ERS) and the ERS Board to submit an annual report on the result of the test to the Legislature.

Your Committee received testimony in support of this measure from the University of Hawaii Professional Assembly. Your Committee received comments on this measure from the Employees' Retirement System.

Your Committee finds that the successful investment of ERS funds is essential to the stability and sustainability of the ERS. Clarity and transparency regarding the information upon which ERS decisions are based are crucial to allow for employees, retirees, and the public to have an understanding of, and confidence in, the ERS. Your Committee further finds that an annual stress test will help to ensure that the ERS Board makes decisions based on widespread actuarial data and projections, rather than on data resulting from isolated events.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 H.B. No. 1182, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1182, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 977 (Joint) Agriculture and Environment and Water and Land on H.B. No. 1475

The purpose and intent of this measure is to:

- (1) Allow farmers' markets and food hubs in agricultural districts; and
- (2) Require that value-added products displayed and sold by agricultural-based commercial operations in agricultural districts contain at least fifty percent Hawaii grown content.

Your Committees received testimony in support of this measure from the Hawai'i Farm Bureau and five individuals. Your Committees received comments on this measure from the Department of Agriculture, Land Use Commission, Kamehameha Schools, and one individual.

Your Committees find that farmers in Hawaii face many challenges in achieving economic sustainability, including the limited availability of reliable markets and food hubs, which are facilities used to secure food and process value-added products. Allowing farmers' markets and food hubs to operate on agricultural lands will help lower costs for and increase revenue to farmers in the State, help farmers become or remain economically sustainable, and ensure public access to locally grown food and value-added products.

Your Committees have amended this measure by:

- (1) Clarifying that a farmers' market is an outdoor market limited to farmers selling agricultural products grown in Hawaii and value-added products containing at least fifty percent Hawaii grown content;
- (2) Making it effective on July 1, 2017; 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 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. 1475, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1475, H.D. 2, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

Water and Land: Ayes, 5; Ayes with Reservations (Kim). Noes, none. Excused, none.

SCRep. 978 Judiciary and Labor on H.B. No. 74

The purpose and intent of this measure is to allow a request to be made by either the Speaker of the House of Representatives or President of the Senate, rather than by a joint request, before the House of Representatives or Senate, respectively, may receive legal representation by an attorney who is retained by the Attorney General because the Attorney General has declined the request due to a conflict of interest.

Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that existing law allows a legislative office of the State to employ or retain any attorney other than the Attorney General for the purpose of representing the State or the office in any litigation, rendering legal counsel, or drafting legal documents. Past practice has demonstrated that if the Attorney General declines the request for legal representation due to a conflict of interest, the Attorney General is required to retain an attorney for the requesting body or legislative office, subject to the approval of the Speaker of the House of Representatives or President of the Senate, or both jointly as appropriate. This measure codifies certain language to make it explicitly clear that requests to the Attorney General for legal representation can be made by either the Speaker of the House of Representatives or President of the Senate, rather by a joint request.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 74, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, 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. 979 Judiciary and Labor on H.B. No. 281

The purpose and intent of this measure is to require the Campaign Spending Commission to publish on its website the names of all noncandidate committees, in addition to the names of all candidate committees, that have failed to file a report or correct a report within a certain time permitted by the Commission.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that existing law requires the Campaign Spending Commission to publish on its website the names of all candidate committees that have failed to file a report or correct a report. This measure codifies within that law the publishing of the names of noncandidate committees to increase transparency and allow the public access to that information. Your Committee notes that a more definitive time frame for a candidate or noncandidate committee to correct a report is necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that candidate and noncandidate committees have two weeks from the notice to correct a report, rather than within the time allowed by the Campaign Spending Commission, before the Commission publishes the names of the candidate and noncandidate committees on its website; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 281, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 281, 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. 980 Commerce, Consumer Protection, and Health on H.B. No. 1181

The purpose and intent of this measure is to:

- (1) Restrict the provision of physician-dispensed prescription drugs to an unspecified period of time following injury; and
- (2) Decrease the reimbursement rate for prescription drugs in the workers' compensation system based on an unspecified percentage of the average wholesale price.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; City and County of Honolulu, Department of Human Resources; Hawaii Insurers Council; Property Casualty Insurers Association of America; Chamber of Commerce Hawaii; National Association of Mutual Insurance Companies; and Solera Integrated Medical Solutions. Your Committee received testimony in opposition to this measure from Automated HealthCare Solutions, Work Injury Medical Association of Hawaii, three individuals, and a petition signed by one hundred forty-one individuals. Your Committee received comments on this measure from the Department of Human Resources Development and International Longshore & Warehouse Union, Local 142.

Your Committee finds that there has been a steady increase in prescriptions for compound preparations and medications in the treatment of injured workers. According to testimony received by your Committee, this increase in use has led to a twenty-one percent increase in total medical costs for all Hawaii employers between 2011 and 2015. In some cases, the increase in use has also led to an exorbitantly high cost for compound drugs. Your Committee further finds that Hawaii has the highest workers' compensation pharmacy reimbursement rates in the country, at an average wholesale price plus up to forty percent, compared to the national average reimbursement rate of ninety-seven percent of the average wholesale price. This measure therefore attempts to control costs by imposing a limit on reimbursements for prescription drugs in the workers' compensation system.

Your Committee notes that the Department of Labor and Industrial Relations (Department) assembled the Workers' Compensation Working Group (Working Group) in 2016 to assess workers' compensation issues. The Working Group considered escalating medical costs as the primary driver of the recent trend of rising costs for workers' compensation insurance coverage. Data from the National Council on Compensation Insurance has also identified prescription drug costs as one of the major reasons for increases in workers' compensation premiums in Hawaii. The Department also coordinated with the Working Group to analyze different rate options and the use of a formulary. The Department analyzed the Consumer Price Index and took into consideration the fact that Hawaii's average

Consumer Price Index for All Urban Consumers is four percent greater than the average of most other states. According to the Department, a fair and proper standard reimbursement rate for Hawaii would be based on the national average of ninety-seven percent, with consideration to the Consumer Price Index four percent average trend over the last six years, which would equal one hundred one percent. Amendments to this measure are therefore needed to incorporate this suggestion and other associated changes recommended by the Department.

Your Committee additionally finds that a nationwide drug epidemic associated with prescription pain relieving drugs is causing alarming rates of addiction, overdose, and death. Your Committee believes that it is important to address the opioid epidemic in the workers' compensation arena in a similar manner as opioid use has been addressed in other areas. Amendments to this measure are therefore needed to require an informed consent process and limit prescription of schedule II drugs to a seven-day initial supply.

Your Committee has amended this measure by:

- (1) Requiring an opioid therapy informed consent process agreement to be executed between an injured employee and any prescriber of opioids within the State under certain conditions;
- (2) Requiring the Harm Reduction Services Branch of the Department of Health to develop and make available a template of an opioid therapy informed consent process agreement between injured employees and prescribers for use in the State and advise the Department on the contents of the agreement;
- (3) Specifying that the reimbursement rate for repackaged and relabeled drugs shall be one hundred one percent of the average wholesale price;
- (4) Clarifying the reimbursement requirements for compounded prescription drugs, including:
 - (A) Specifying that payment shall be the sum of one hundred one percent of the average wholesale price; and
 - (B) Specifying the limitations on supply and payment, billing requirements, and reimbursement requirements for any ingredient in a topical compound;
- (5) Clarifying that all pharmaceutical claims for repackaged, relabeled, or compounded prescription drugs shall include the National Drug Code of the original manufacturer, and removing language that would have permitted an unspecified reimbursement rate if the original manufacturer of the underlying drug product used in a repackaged, relabeled, or compounded prescription drug was not provided or was unknown;
- (6) Specifying that reimbursement for any schedule II drug under chapter 329, Uniform Controlled Substances Act, Hawaii Revised Statutes, prescribed by a physician shall be limited to reimbursement for an initial seven-day supply;
- (7) Updating the purpose section; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1181, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1181, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Chang, Ihara, Kidani).

SCRep. 981 Commerce, Consumer Protection, and Health on H.B. No. 1381

The purpose and intent of this measure is to amend the elevator mechanics law by:

- (1) Adding an examination requirement for applicants for licensure;
- (2) Clarifying the licensing requirements for elevator mechanics, including the procedures and standards for license renewals, and qualifications for licensure;
- (3) Clarifying the scope of work for elevator mechanics; and
- (4) Clarifying the meeting requirements and powers and duties of the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; International Union of Elevator Constructors, Local 126; and Painting Industry of Hawaii Labor Management Cooperation Trust Fund. Your Committee received comments on this measure from the Elevator Mechanics Licensing Board and National Elevator Industry, Inc.

Your Committee finds that the elevator industry is undergoing rapid technological advancements that will require increased knowledge from the highly skilled professionals who install, service, maintain, and test elevators and related conveyances in the State. Accordingly, this measure makes various updates to the elevator mechanics licensing law to: clarify the scope of work for elevator mechanics; amend the licensing requirements for elevator mechanics, including requiring completion of a continuing education course prior to licensure renewal; and update the powers and duties of the Elevator Mechanics Licensing Board.

Your Committee notes the concerns raised in testimony by the Elevator Mechanics Licensing Board that the minimum qualifications for licensure proposed by this measure may eliminate one avenue of training for elevator mechanics, which may inadvertently prevent otherwise qualified individuals from obtaining licensure in Hawaii. Your Committee appreciates these concerns and notes that the Elevator Mechanics Licensing Board has indicated discussions on this issue will continue.

Your Committee also notes that the National Elevator Industry, Inc., indicated in testimony before your Committee that it has developed a model elevator law in conjunction with the International Union of Elevator Constructors, which it is promoting to state

legislatures across the country to ensure consistency with industry practices. The National Elevator Industry, Inc., expressed concern in testimony that this measure as written may expand the scope of work and definition of “elevator mechanic” beyond the scope of work solely undertaken by elevator mechanics. Your Committee understands these concerns and concludes that amendments to this measure are necessary to incorporate suggested language from the model law. However, your Committee notes that additional discussions with interested stakeholders regarding this model language may be needed as this measure continues through the legislative process.

Your Committee has amended this measure by:

- (1) Adopting suggested amendments from the National Elevator Industry, Inc.’s model law, which:
 - (A) Clarifies the scope of work for elevator mechanics; and
 - (B) Amends the definition of “elevator mechanic”;
- (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, Consumer Protection, and Health 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 982 Commerce, Consumer Protection, and Health on H.B. No. 680

The purpose and intent of this measure is to:

- (1) Require licensees under the Board of Barbering and Cosmetology to complete a one-time awareness education program on intimate partner violence awareness and education;
- (2) Require the Department of Commerce and Consumer Affairs to adopt, via rules, the materials made available by a selected nonprofit intimate partner violence awareness education program; and
- (3) Specify that assaulting or threatening to cause bodily injury to a barber or beauty operator for acting on information concerning potential intimate partner violence shall be a misdemeanor.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii State Coalition Against Domestic Violence, Planned Parenthood Votes Northwest and Hawaii, LGBT Caucus of the Democratic Party of Hawai‘i, and four individuals. Your Committee received comments on this measure from the Board of Barbering and Cosmetology and Domestic Violence Action Center.

Your Committee finds that intimate partner violence is prevalent in every community and affects people regardless of age, socioeconomic status, sexual orientation, gender, race, religion, or nationality. Professionals in the grooming and beauty industry may have a unique opportunity to notice signs of abuse in their clients. These professionals often enjoy close relationships with their clients, which can put a grooming or beauty professional in the position to provide advice, resource information, and assistance. Accordingly, this measure requires licensees under the Board of Barbering and Cosmetology to complete a one-time awareness education program on intimate partner violence awareness and education.

Your Committee notes that the companion to this measure, S.B. No. 518, S.D. 2 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that also requires licensees under the Board of Barbering and Cosmetology to complete a training program on intimate partner violence awareness and education. Your Committee concludes that the language in S.B. No. 518, S.D. 2, is preferable because it clarifies that individual barber, beauty operator (including cosmetologists, hairdressers, estheticians, and nail technicians), and instructor licensees under the Board of Barbering and Cosmetology are required to attend the one-time training program. S.B. No. 518, S.D. 2, also requires the training to be a three-hour course, which will allow more time for describing the dynamics of abuse and help licensees understand the barriers faced by survivors and the different resources available to survivors.

Your Committee further finds that the language in S.B. No. 518, S.D. 2, is not overly broad or overly burdensome on individual licensees. Your Committee notes that similar programs, such as the “Cut It Out” program, which is dedicated to mobilizing salon professionals and others to fight the epidemic of domestic abuse in communities throughout the country, have shown proven success in providing information and training to professionals in the grooming and beauty industry. These programs exist because communities and programs have identified that victims of intimate partner violence often disclose sensitive information to trusted individuals in safe environments, such as salons and barber shops, thus reiterating the importance of ensuring grooming and beauty industry professionals have the knowledge to appropriately respond to a victim of intimate partner violence.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 518, S.D. 2, a substantially similar measure, which:
 - (A) Requires barber, beauty operator, and instructor licensees under the Board of Barbering and Cosmetology to complete a one-time, three-hour training program on intimate partner violence awareness and education; and
 - (B) Requires the Department of Commerce and Consumer Affairs to develop the intimate partner violence awareness and education training program for barber, beauty operator, and instructor licensees in coordination with a domestic violence intervention program; and

- (2) Inserting an effective date of July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Ihara). Noes, none. Excused, none.

SCRep. 983 Transportation and Energy on H.B. No. 113

The purpose and intent of this measure is to exempt vehicles transporting asphalt or other high temperature loads from the requirement that their loads be covered.

Your Committee received testimony in support of this measure from the Department of Transportation; Maritime Group, LLC; and Don's Trucking LLC.

Your Committee finds that vehicles transporting asphalt or other loads of high temperature may be a hazard to motorists traveling on highways. However, testimony indicated that these high temperature loads, including asphalt, are typically heavy and sticky and do not easily blow off trucks into the road. In addition, putting a tarp or other cover on top of high temperature loads will melt the material and produce toxic fumes. Therefore, your Committee further finds that an exception to covering certain truck loads is warranted and leaving it to the discretion of the vehicle operator as to whether there is a likelihood of the material blowing away while being transported on any highway is a reasonable solution.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 113, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 984 Transportation and Energy on H.B. No. 997

The purpose and intent of this measure is to provide the Department of Transportation with the authority, flexibility, and discretion to pursue and enter into airport concession contracts and other arrangements by negotiation.

Your Committee received testimony in support of this measure from the Department of Transportation and the Airport Concessions Committee.

Your Committee finds that awarding airport concessionaire agreements through a negotiation process, as compared to just the highest bidder, will result in improved quality of food, products, and services at Hawaii's airports. That, in turn, will increase sales volume and airport fees, which are based on a percentage of sales. Your Committee notes that most mainland airports award airport terminal concession agreements based on circumstances that benefit and are in the best interest of the airport.

Your Committee has amended this measure by:

- (1) Reinserting language that provides the Department of Transportation with the authority to grant contract extensions for no more than fifteen years for the initial term, and if amended, up to the remaining term plus any agreed upon extension;
- (2) Inserting an effective date of July 1, 2017; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 997, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 997, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 985 Transportation and Energy on H.B. No. 1152

The purpose and intent of this measure is to add a new section to the General Appropriations Act of 2015 to permit the Department of Transportation to utilize the Department of Transportation, Airports Division, Project Adjustment Fund.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that this measure is necessary to authorize the Governor to make supplemental allotments from the project adjustment fund to supplement any currently authorized capital investment cost elements for Airports Division capital improvement projects.

Your Committee has amended this measure by:

- (1) Changing the deadline for the Governor to report to the Legislature from thirty days prior to the convening of the Regular Session of 2017 to thirty days prior to the convening of the Regular Session of 2018; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1152, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 986 Transportation and Energy on H.B. No. 1305

The purpose and intent of this measure is to alleviate congestion on the H-1 freeway in the westbound direction for drivers traveling in Leeward Oahu from Kunia to Kualakai Parkway during peak hours by appropriating funds for the construction of a shoulder lane in the westbound direction between the Kunia/Waipahu/Ewa (Exit 5) off-ramp and the Kualakai Parkway on-ramp.

Your Committee received testimony in support of this measure from the Department of Transportation and Ho‘omana Pono, LLC.

Your Committee finds that the H-1 freeway on the west side of the Island of Oahu is notorious for traffic congestion, particularly in the westbound direction. By funding the construction of a shoulder land between the Kunia/Waipahu/Ewa off-ramp and the Kualakai Parkway on-ramp, this measure would provide some relief for drivers headed westbound on the H-1 freeway.

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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1305, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1305, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 987 Transportation and Energy on H.B. No. 727

The purpose and intent of this measure is to allow motorcycle lane filtering under certain specified circumstances.

Your Committee received testimony in support of this measure from Street Bikers United Hawaii and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Transportation, Honolulu Police Department, and AAA Hawai‘i. Your Committee received comments on this measure from one individual.

Your Committee finds that allowing motorcycles and motor scooters to filter through same-bound lanes of stopped traffic, when safe to do so, will reduce the risk of motor vehicle rear-end collisions with motorcycles and motor scooters.

Your Committee further finds that motorcycle lane filtering will also allow motorcycles and motor scooters to move through stalled and stopped traffic, especially during gridlock on Oahu’s freeways, and will allow some modest alleviation of the traffic congestion for all motorists.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Transportation shall determine the roadways on which lane filtering shall be allowed; and
- (2) Making 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 727, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 727, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Harimoto). Noes, none. Excused, 1 (English).

SCRep. 988 Transportation and Energy on H.B. No. 591

The purpose and intent of this measure is to clarify the capital infrastructure tax credit by:

- (1) Adding structures, machinery, equipment, and capital assets to the definition of “capital infrastructure costs”;
- (2) Limiting the qualifying infrastructure costs to those incurred by a displaced tenant’s move from their current address or business to a new location within Honolulu Harbor;
- (3) Excluding from the tax credit any amounts received in any form from the State;
- (4) Limiting the tax credit to \$2,500,000 per qualified infrastructure tenant per taxable year; and
- (5) Specifying that any credit claimed shall be recaptured following the close of the taxable year for which the credit is claimed if the qualified infrastructure tenant fails to relocate from the former Kapalama military reservation to another location, pursuant to a lease with the Department of Transportation, within ninety days of the execution of the lease.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii, Pacific Shipyards, 3SRM Inc., and numerous individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Act 200, Session Laws of Hawaii 2014, enacted section 235-17.5, Hawaii Revised Statutes, relating to capital infrastructure tax credit, to accommodate tenants displaced by the development of a new overseas container terminal and piers at the lower Kapalama military reservation site.

Your Committee further finds that the displaced tenants will be relocated to various piers that have limited infrastructure, facilities, and utilities. These tenants must find ways to finance not only their move, but also significant capital improvements to state-owned land.

Your Committee has amended this measure by:

- (1) Clarifying that the qualified infrastructure tenant, together with all special purpose entities, shall not claim any credit in any one year that exceeds \$2,500,000, on the recommendation of the Department of Taxation;
- (2) Clarifying that distribution and share of the tax credit for a partnership may be determined notwithstanding section 706(d) of the Internal Revenue Code, in addition to section 704;
- (3) Requiring a taxpayer to claim the credit within ninety days of the end of the calendar year, rather than taxable year;
- (4) Providing a penalty for failure of a qualified taxpayer to report certain information to the Department of Taxation, rather than to the Legislature, on the recommendation of the Department of Taxation; 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 Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 591, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 591, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Harimoto). Noes, none. Excused, 1 (English).

SCRep. 989 Transportation and Energy on H.B. No. 629

The purpose and intent of this measure is to:

- (1) Exempt from income tax and general excise tax an amount up to an unspecified percentage of the costs of the construction and operation of projects entered into under a public-private partnership with the Employees' Retirement System to improve water infrastructure or water supply, or to promote clean energy; and
- (2) Authorize the Employees' Retirement System to invest in such public-private partnerships.

Your Committee received testimony in support of this measure from Ho'omana Pono, LLC. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that conserving the State's resources and progressing toward the State's goal of a one hundred percent clean energy economy is vital for protecting the State's future. Your Committee recognizes that procuring funds for public works projects is often a difficult and inefficient process. This measure addresses this issue by allowing private entities to enter into a public-private partnership with the Employees' Retirement System to improve water infrastructure or water supply, or to promote clean energy. To further incentivize private entities to enter into such arrangements, this measure allows for an exemption from income tax and general excise tax in an amount up to an unspecified percentage of the costs of the construction and operation of projects arising out of these types of public-private agreements.

However, your Committee understands the concerns raised by the Department of Taxation and Tax Foundation of Hawaii relating to the viability of this measure and the impacts that this measure may have on the Employees' Retirement System. Therefore, your Committee finds that provisions and ideas set forth in this measure would benefit from further inquiry.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Board of Trustees of the Employees' Retirement System to conduct a study into the viability of:
 - (A) Providing a tax exemption for contractors who enter into a public-private partnership with the employees' retirement system to develop construction projects to improve water infrastructure or water supply, or to promote clean energy;
 - (B) Providing an exclusion from gross income, adjusted gross income, and taxable income for the direct costs of construction and operation incurred by a person under a public-private partnership with the Employees' Retirement System to develop construction projects to improve water infrastructure or water supply, or to promote clean energy; and
 - (C) Allowing the Employees' Retirement System to make investments in public-private partnerships to develop construction projects to improve water infrastructure or water supply, or to promote clean energy;
- (2) Inserting a blank appropriation for the study;
- (3) Inserting an effective date of July 1, 2017; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 629, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 629, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 990 Transportation and Energy on H.B. No. 946

The purpose and intent of this measure is to specify that any driver who violates the high occupancy vehicle lane law shall be deemed to have committed a traffic infraction and shall be subject to a \$150 fine.

Your Committee received testimony in support of this measure from the Department of Transportation and two individuals.

Your Committee finds that under the existing law, drivers who drive in a high occupancy lane in violation of the law are subject to an initial fine of \$75. This measure increases the fine to a flat rate of \$150.

Your Committee further finds that the increase in the fine will act as a deterrent for those drivers who violate the law.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 946, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 946, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 991 Transportation and Energy on H.B. No. 1378

The purpose and intent of this measure is to appropriate funds for the Department of Transportation to develop plans for the construction of secondary access roads for the Waianae District of Leeward Oahu.

Your Committee received testimony in support of this measure from the Honorable Tulsi Gabbard, United States Representative of the 2nd District of Hawaii; Department of Transportation; Ho'omana Pono, LLC; and numerous individuals. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that Farrington Highway is the sole access route that links the Waianae District to Ewa and additional places of interest on the eastern side of Oahu, including metropolitan Honolulu. Although West Oahu has experienced exponential growth and development over the last twenty years, transportation infrastructure has not kept pace. Traffic volume on Farrington Highway has increased from an average of twenty thousand vehicles per day in 2000, to fifty thousand vehicles per day in 2016.

Your Committee further finds that residents of the Waianae District bear the largest burden of the current infrastructural insufficiency since they must contend with daily commutes of up to two hours each way for jobs or school. Additionally, the lack of any alternate route leaves Leeward residents more vulnerable to harm in an emergency situation. There is currently no available route that can be used as an alternative to Farrington Highway during times when Farrington Highway is impassable.

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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1378, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1378, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 992 (Joint) Water and Land and Higher Education and Agriculture and Environment on S.R. No. 6

The purpose and intent of this measure is to urge the Department of Land and Natural Resources, in collaboration with the University of Hawaii, nonprofit environmental organizations, and other stakeholders, to conduct an inventory of pueo habitat in Hawaii.

Your Committees received testimony in support of this measure from the American Bird Conservancy, Conservation Council for Hawaii'i, Hawaii Audubon Society, Hawaii's Thousand Friends, Kanehili Cultural Hui, Democratic Party of Hawaii Education and Environmental Caucuses, and several individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that the pueo is an important member of Hawaii's biological community and holds a special place in Hawaiian culture. Your Committees also find that while the pueo is listed as endangered by the State, there remains much that is unknown about the pueo in Hawaii, including population size and distribution, movement patterns, and habitat use. A statewide habitat inventory is a necessary first step toward properly protecting and managing the pueo. Your Committees note that it may be difficult to complete an extensive statewide inventory in the given timeframe with available resources.

Your Committees have amended this measure by:

- (1) Recognizing the ongoing cooperation of SunEdison, LLC; Kaheawa Wind Power II; Kahuku Wind Power; Kaho'olawe Island Reserve Commission; University of Hawaii; United States Fish and Wildlife Service; and United States Department of Agriculture with the State in efforts to protect the pueo;

- (2) Urging the pueo habitat inventory to emphasize the island of Oahu;
- (3) Requesting the Department of Land and Natural Resources to submit an interim report no later than one month prior to the convening of the Regular Session of 2018, including an estimate of the time and resources necessary to complete a statewide pueo population estimate and statewide habitat inventory;
- (4) Resolving that certified copies of the resolution be transmitted to the mayors of the several counties; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land, Higher Education, and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 6, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 6, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 993 (Joint) Water and Land and Higher Education and Agriculture and Environment on S.C.R. No. 31

The purpose and intent of this measure is to urge the Department of Land and Natural Resources, in collaboration with the University of Hawaii, nonprofit environmental organizations, and other stakeholders, to conduct an inventory of pueo habitat in Hawaii.

Your Committees received testimony in support of this measure from the American Bird Conservancy, Conservation Council for Hawai'i, Hawaii Audubon Society, Hawaii's Thousand Friends, Kanehili Cultural Hui, Democratic Party of Hawaii Education and Environmental Caucuses, and several individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that the pueo is an important member of Hawaii's biological community and holds a special place in Hawaiian culture. Your Committees also find that while the pueo is listed as endangered by the State, there remains much that is unknown about the pueo in Hawaii, including population size and distribution, movement patterns, and habitat use. A statewide habitat inventory is a necessary first step toward properly protecting and managing the pueo. Your Committees note that it may be difficult to complete an extensive statewide inventory in the given timeframe with available resources.

Your Committees have amended this measure by:

- (1) Recognizing the ongoing cooperation of SunEdison, LLC; Kaheawa Wind Power II; Kahuku Wind Power; Kaho'olawe Island Reserve Commission; University of Hawaii; United States Fish and Wildlife Service; and United States Department of Agriculture with the State in efforts to protect the pueo;
- (2) Urging the pueo habitat inventory to emphasize the island of Oahu;
- (3) Requesting the Department of Land and Natural Resources to submit an interim report no later than one month prior to the convening of the Regular Session of 2018, including an estimate of the time and resources necessary to complete a statewide pueo population estimate and statewide habitat inventory;
- (4) Resolving that certified copies of the resolution be transmitted to the mayors of the several counties; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land, Higher Education, and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 31, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 31, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 994 Housing on S.C.R. No. 19

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-529 Inoaole Street, Waimanalo, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-529 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 995 Housing on S.C.R. No. 20

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-648 Inoaole Street, Waimanalo, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-648 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 20 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 996 Housing on S.C.R. No. 21

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-652 Inoaole Street, Waimanalo, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-652 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 21 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 997 Housing on S.C.R. No. 22

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-659 Inoaole Street, Waimanalo, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-659 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 22 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 998 Housing on S.C.R. No. 23

The purpose and intent of this measure is to approve the sale of the leased fee interest in 41-1362 Waikaloa Street, Waimanalo, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-1362 Waikaloa Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 999 Housing on S.C.R. No. 24

The purpose and intent of this measure is to approve the sale of the leased fee interest in 95-029 Kuahelani Avenue, No. 128, Mililani, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 95-029 Kuahelani Avenue, No. 128, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 1000 Housing on S.C.R. No. 25

The purpose and intent of this measure is to approve the sale of the leased fee interest in 94-946 Meheula Parkway, No. 264, Mililani, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 94-946 Meheula Parkway, No. 264, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 1001 Housing on S.C.R. No. 26

The purpose and intent of this measure is to approve the sale of the leased fee interest in 94-946 Meheula Parkway, No. 363, Mililani, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; Big Palm Partners, LLC; and one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 94-946 Meheula Parkway, No. 363, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 1002 Housing on S.C.R. No. 27

The purpose and intent of this measure is to approve the sale of the leased fee interest in 94-950 Meheula Parkway, No. 367, Mililani, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Department of Business, Economic Development, and Tourism; and two individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 94-950 Meheula Parkway, No. 367,

Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 1003 Housing on S.C.R. No. 28

The purpose and intent of this measure is to approve the sale of the leased fee interest in 47-394 Keohapa Place, Kaneohe, Hawaii.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Department of Business, Economic Development, and Tourism. Your Committee received comments on this measure from the Office of Hawaiian Affairs and one individual.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 47-394 Keohapa Place, Kaneohe, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

SCRep. 1004 Commerce, Consumer Protection, and Health on H.B. No. 604

The purpose and intent of this measure is to prevent the spread of mosquito-borne illness by:

- (1) Requiring the Department of Health to create and maintain a list of plants and landscaping-related structures or equipment that are known to be preferred habitats for mosquito breeding; and
- (2) Prohibiting the use of plants and landscaping-related structures or equipment that serve as preferred mosquito habitats in landscaping on public property.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that a variety of plants exist that are known to be potential mosquito breeding habitats due to their natural ability to collect water. Your Committee further finds that limiting the use of such plants in landscaping, as well as landscaping-related structures and equipment that are preferred habitats for mosquito breeding, will reduce the mosquito population in Hawaii and benefit public health. Your Committee recognizes that the Department of Agriculture has more expertise than the Department of Health regarding which plants are natural water collectors likely to attract mosquitoes.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to require the Department of Agriculture, in consultation with the Department of Health, to create and maintain the list of plants and landscaping-related structures or equipment that are known to be preferred habitats for mosquito breeding;
- (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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 604, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 604, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1005 Commerce, Consumer Protection, and Health on H.B. No. 374

The purpose and intent of this measure is to require the Auditor to conduct a sunrise analysis regarding the establishment of licensure and certification requirements for dental assistants.

Your Committee received testimony in support of this measure from the Hawaii Dental Hygienists' Association and five individuals. Your Committee received comments on this measure from the Board of Dental Examiners, Hawaii Dental Association, and one individual.

Your Committee finds that licensed and registered dentists are permitted under existing law to employ auxiliary personnel, known as dental assistants, to assist a dentist in the dentist's practice. Like dental hygienists, dental assistants are a valuable part of a dental team, and each team member plays a critical role in the execution of outstanding patient care. However, existing law does not require licensure or educational requirements or standardized training for dental assistants. It is therefore not appropriate for dental assistants to be expected or required to perform duties, activities, or functions that, if performed by a dental hygienist, would require licensure.

Your Committee further finds that the Legislature determines duty and scope of practice for licensed professionals in the State. Amendments to this measure are therefore necessary to address these concerns.

Your Committee additionally finds that thirty-eight states and the District of Columbia require some form of certification or licensure for dental assistants. Although dental assistants are not currently regulated in Hawaii, your Committee notes that through the University of Hawaii System, Kapiolani Community College does offer a dental assistant certification program that is accredited by the Commission on Dental Accreditation of the American Dental Association. Your Committee concludes that Hawaii should join the majority of other states that regulate dental assistants. Your Committee notes that requiring some form of credentialing for dental assistants in Hawaii will ensure the public is being treated by educated, trained professionals and will also emphasize the valuable role dental assistants perform within a dental team. Requesting the Auditor to examine the effects of regulation of dental assistants via the certification requirements offered by Kapiolani Community College is therefore appropriate.

Your Committee has amended this measure by:

- (1) Inserting the contents of S.B. No. 344, S.D. 1, a substantially similar measure, which:
 - (A) Clarifies the allowable and prohibited practices requirements for dental assistants;
 - (B) Clarifies that rules shall not infringe upon, overlap with, or conflict with the duties and scope of practice for other licensed professionals;
 - (C) Prohibits persons from employing, directing, or ordering a dental assistant or other person to perform services or procedures within the scope of practice of dental hygiene; and
 - (D) Inserts an effective date of July 1, 2017;
- (2) Clarifying that the Auditor shall conduct a study on the effects of regulation of dental assistants in the State via the certification requirements for dental assistants offered by Kapiolani Community College; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 374, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1006 Higher Education on H.B. No. 1276

The purpose and intent of this measure is to encourage the pursuit of postsecondary education by providing an additional state income tax deduction for student loan interest paid on qualified educational loans.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association and Graduate Student Organization at the University of Hawai'i at Mānoa. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the costs associated with postsecondary education often force students to go into debt. Student debt has increasingly become a burden on individuals and families, and sometimes deters talented individuals from seeking desired education. Your Committee further finds that professions such as teaching that do not offer high compensation suffer from shortages of qualified individuals, and reducing student debt costs could help incentive individuals to pursue these professions. This measure will encourage Hawaii residents to not let the idea of financing a postsecondary education deter them from pursuing a postsecondary education.

Your Committee has amended this measure by:

- (1) Inserting a maximum allowable deduction from gross income of \$5,000 for the state income tax deduction for student loan interest paid on qualified education loans;
- (2) Inserting an effective date of July 1, 2017; 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. 1276, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1276, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1007 Higher Education on H.B. No. 849

The purpose and intent of this measure is to restore the University of Hawai'i's authority to maintain a separate accounting and financial management system that is compatible with the State's accounting and financial system.

Your Committee received testimony in support of this measure from the University of Hawai'i System and Department of Accounting and General Services.

Your Committee finds that the University of Hawai'i updated its accounting system to the Kualii Financial System on July 1, 2012, which serves the University's reporting, regulatory, and accreditation requirements and allows for compatibility with external partners.

The Kualii Financial System is a comprehensive financial software package that was developed, and is supported by, a consortium of universities that use an open source and partner enhanced process. Your Committee also finds that since the implementation of the Kualii Financial System, the University continues to provide bi-monthly payroll feeds to the Department of Accounting and General Services, in addition to other required financial reports. Your Committee notes that the University of Hawai'i's authorization to maintain a separate accounting and financial management system ended on June 30, 2016, and this measure will expressly affirm the University's authority to maintain this separate accounting system.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 849, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 849, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1008 Higher Education on H.B. No. 1079

The purpose and intent of this measure is to establish a framework for authorizing post-secondary degree-granting educational institutions that have applied for accreditation by an accrediting agency recognized by the United States Department of Education.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that it is beneficial to students to authorize the Department of Commerce and Consumer Affairs to oversee accreditation-seeking institutions and ensure that the institutions are making acceptable progress toward accreditation. Your Committee further finds that, nationwide, most states issue some type of temporary authorization or approval to institutions that are in the process of applying for accreditation. Finally, your Committee finds that it is beneficial to allow the Director of Commerce and Consumer Affairs to grant temporary waivers of the accreditation requirement when necessary for good cause and the protection of students facing imminent financial hardship.

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. 1079, H.D. 2, and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

SCRep. 1009 Water and Land on H.B. No. 861

The purpose and intent of this measure is to require the Department of Land and Natural Resources to:

- (1) Designate and adopt rules for no fewer than five community-based subsistence fishing areas by December 31, 2025; and
- (2) Submit an annual report to the Legislature on the Department's progress, including any recommendations and proposed legislation.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Kua'āina Ulu 'Auamo, Hawai'i Alliance for Progressive Action, and six individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Fishermen's Alliance for Conservation and Tradition, Inc.; and six individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that community-based fisheries management can help restore and sustain Hawaii's nearshore resources. The Department of Land and Natural Resources was given the statutory authority in 1994 to establish community-based subsistence fishing areas and rules; however, since that time only one such area has been established. Your Committee notes that due diligence necessitates a certain timeframe for community consultation and proper rule-making, but finds that stronger policy is needed to encourage timely and meaningful adoption of community-based fisheries management in the State.

Your Committee has amended this measure by:

- (1) Removing the requirement that the Department of Land and Natural Resources establish five community-based subsistence fishing area by December 31, 2025;
- (2) Requiring the Department of Land and Natural Resources to adopt rules within two years of receiving a proposal for a community-based subsistence fishing area;
- (3) Clarifying the information required by the annual report to the Legislature; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 861, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 861, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1010 Water and Land on H.B. No. 633

The purpose and intent of this measure is to clarify that aboveground freshwater storage tanks are included in the definition of “appurtenant works” for the purposes of authorizing the issuance of special purpose revenue bonds to assist dam and reservoir owners.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Board of Water Supply for the City and County of Honolulu, and one individual.

Your Committee finds that clarifying the definition of “appurtenant works” to include aboveground freshwater storage tanks will broaden the types of improvements eligible for special purpose revenue bond financing. Providing this additional financing option for waterworks projects will assist dam and reservoir owners in implementing improvements, and the savings realized from lower interest rates will help keep water rates affordable for residents who purchase their water supply.

Your Committee has amended this measure by inserting an effective date of March 15, 2009, to encourage further discussion.

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. 633, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 633, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1011 Water and Land on H.B. No. 630

The purpose and intent of this measure is to appropriate funds for:

- (1) Drought mitigation projects and measures in each county; and
- (2) The establishment of one full-time equivalent permanent planner IV position within the Commission on Water Resource Management to update the Hawaii Drought Plan.

Your Committee received testimony in support of this measure from the Department of Agriculture; Office of the Mayor of the County of Hawai‘i; Board of Water Supply of the City and County of Honolulu; Hawai‘i Farm Bureau; One World One Water, LLC; Ulupono Initiative; and two individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that drought conditions can cause widespread and significant damage in the State, including loss of crops and livestock, irreparable harm to plants and wildlife, increased risk of wildfires, and the potential to leave thousands of state residents without the adequate water supply for daily living needs. Your Committee finds it is imperative to continue to fund drought mitigation efforts at the county level and update the Hawaii Drought Plan to enable the State to successfully endure anticipated future drought conditions.

Your Committee has amended this measure by:

- (1) Inserting an effective date of March 15, 2009, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 630, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 630, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1012 Water and Land on H.B. No. 437

The purpose and intent of this measure is to prohibit variances for shoreline hardening structures that will artificially fix the shoreline, including a seawall, revetment, or groin, unless:

- (1) A public hearing is held;
- (2) The applicant for the variance demonstrates that the shoreline hardening structure is necessary to protect an existing legal object, structure, or activity from damage due to seawater inundation or shoreline erosion; and
- (3) The legal object, structure, or activity cannot reasonably be protected by relocating it outside the shoreline area.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Office of Planning, County of Hawai‘i Planning Department, Hawai‘i Alliance for Progressive Action, Maui Tomorrow, and eighteen individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources, Land Use Research Foundation of Hawaii, and Outrigger Enterprises Group. Your Committee received comments on this measure from the Department of Transportation and Office of the Mayor of the County of Maui.

Your Committee finds that shoreline hardening structures are necessary in some instances to protect property and infrastructure; however, poor planning and excess of such structures has resulted in the erosion of beaches and shorelines throughout the State. Your Committee notes that beaches and shorelines are culturally, economically, and socially invaluable assets that must be safeguarded for the long-term public interest of the people of Hawaii. Your Committee finds that the additional requirements for approval of a variance mandated in this measure will provide greater oversight and accountability, and will limit the approval of shoreline hardening structures to those instances where the structure is crucial to protect property and infrastructure.

Your Committee has amended this measure by:

- (1) Removing damage due to seawater inundation as a cause for granting a variance;
- (2) Clarifying that the applicant shall provide to the authority for consideration a thorough assessment and comparison of impacts, feasibility, and costs of alternatives to the shoreline hardening structure;
- (3) Amending what information the authority shall consider when reviewing an application for a variance; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 437, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 437, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1013 (Joint) Water and Land and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1200

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to conduct a feasibility study to determine the best means to provide a Pohoiki swimming area and develop plans, in cooperation with the United States Army Corps of Engineers, County of Hawaii, and any stakeholders, for a safe swim area.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that there is an increasing need for a safe swim area in Pohoiki. The lava inundation of Kalapana has taken away a large portion of formerly accessible shoreline, and left the growing population of Puna with few safe swimming areas. Swimmers are currently accessing the ocean via the Pohoiki boat ramp; having one access for all ocean users, including boaters, swimmers, divers, surfers, and kayakers, among others, is untenable. Your Committees find that a feasibility study must be completed to find a permanent solution to provide safe ocean access for the people of Puna.

Your Committees have amended this measure by inserting an effective date of March 15, 2099, to encourage further discussion.

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 H.B. No. 1200, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1200, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Water and Land: Ayes, 5. Noes, none. Excused, none.
Public Safety, Intergovernmental, and Military Affairs: Ayes, 5. Noes, none. Excused, none.

SCRep. 1014 (Joint) Water and Land and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 14

The purpose and intent of this measure is to appropriate funds for the employment of lifeguards and purchase of equipment used by lifeguards in the course of their work at Kua Bay, Kekaha Kai State Park.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawai'i State Fire Council, Hawaii Fire Department, Hawai'i County Council, Kona-Kohala Chamber of Commerce, and ten individuals.

Your Committees find that Kua Bay, located within Kekaha Kai State Park, has been experiencing increased popularity with growing numbers of visitors due to its location and recent improvements. The increase in visitors has been accompanied by an alarming increase in water safety incidents. Your Committees find that in the interest of public health and safety, it is necessary to appropriate funds for lifeguards and equipment at Kua Bay.

Your Committees have amended this measure by inserting an effective date of March 15, 2099, to encourage further discussion.

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 H.B. No. 14, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 14, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).
Public Safety, Intergovernmental, and Military Affairs: Ayes, 5. Noes, none. Excused, none.

SCRep. 1015 (Joint) Human Services and Commerce, Consumer Protection, and Health on H.B. No. 1272

The purpose and intent of this measure is to specify that coverage for telehealth under the State's Medicaid managed care and fee-for-service programs includes psychiatric services delivered via telehealth through a behavioral health care manager who is present in a primary health care provider's office.

Your Committees received testimony in support of this measure from the Department of Health, The Queen's Health Systems, Hawaii Medical Association, Hawaii Psychiatric Medical Association, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Association of Professional Nurses and one individual. Your Committees received comments on this measure from the Department of Human Services and Hawaii Medical Service Association.

Your Committees find that the psychiatric collaborative care model of integrated care is ideal for states like Hawaii with community populations that are remote from urban centers because the model does not require the physical presence of a psychiatrist when psychiatric services can be delivered remotely. The psychiatric collaborative care model supports mental and behavioral health through a team-based, coordinated approach involving a psychiatric consultant, a behavioral health care manager, and the primary care clinician extending beyond the scope of an office visit. Including coverage for psychiatric services provided through a collaborative care model that emulates the Centers for Medicare and Medicaid Services collaborative care program will ensure that more patients will receive the health care they need in a timely and efficient manner.

Your Committees have amended this measure by:

- (1) Clarifying that a psychiatric consultant shall be a licensed psychiatrist in the State;
- (2) Deleting the definition of “psychiatric consultation 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 Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1272, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1272, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Kidani).

SCRep. 1016 (Joint) Human Services and Education on H.B. No. 499

The purpose and intent of this measure is to:

- (1) Repeal the priority given by the preschool open doors program to children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because their birth date occurs after the kindergarten eligibility date; and
- (2) Provide that priority given by the preschool open doors program to undeserved or at-risk children shall be given to children whose family income is at or below two hundred fifty per cent of the federal poverty level.

Your Committees received testimony in support of this measure from the Executive Office on Early Learning, State Public Charter School Commission, Native Hawaiian Education Council, Hawaii Children’s Action Network, and Kamehameha Schools. Your Committees received comments on this measure from the Department of Human Services and Parents and Children Together.

Your Committees find that the preschool open doors program is Hawaii’s school readiness program that provides critical subsidies for low to moderate income families sending their children to a licensed preschool to prepare them for kindergarten. By providing priority for underserved or at-risk children or children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because of their date of birth occurring after the eligibility date, the preschool open doors program creates short-term and long-term benefits for children, individuals, and society as a whole.

Your Committees have amended this measure by reinstating language that provides priority for the preschools open doors program to four-year-old children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because their birth date occurs after the kindergarten eligibility date.

As affirmed by the records of votes of the members of your Committees on Human Services and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 499, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 499, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Education: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Espero).

SCRep. 1017 (Joint) Human Services and Commerce, Consumer Protection, and Health on H.B. No. 1396

The purpose and intent of this measure is to authorize the Department of Health, in consultation with the Department of Human Services, to allow two private-pay individuals to be cared for in the same community care foster family home if certain requirements are met.

Your Committees received testimony in support of this measure from the Department of Human Services and Department of Health. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Hawaii Disability Rights Center.

Your Committees find that community care foster family homes provide an essential function in the State by providing twenty-four-hour living accommodations, which include housing, supervision, personal care, and assistance with daily living activities for their residents. Community care foster family homes are licensed to provide accommodations and services to not more than two adults at any one time, at least one of whom shall be a Medicaid recipient, who are at the nursing facility level of care. However, the Department of Health may certify a community care foster family home for a third adult who is at the nursing level of care and a Medicaid recipient, provided certain requirements are met.

Your Committees further find that as the cost of medical care continues to rise, it is becoming apparent that even those who do not rely on Medicaid for their long-term care cannot afford the cost of private care, leaving this population also with limited options. This

measure recognizes the varied needs of the State's aging population by allowing the Department of Health flexibility to include two private-pay individuals to be cared for in the same community care foster family home under certain qualifying conditions.

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, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1396, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1396, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Kidani).

SCRep. 1018 (Joint) Human Services and Commerce, Consumer Protection, and Health on H.B. No. 90

The purpose and intent of this measure is to:

- (1) Continue the nursing facility sustainability program for two years; and
- (2) Appropriate funds out of the nursing facility sustainability program special fund for fiscal years 2017-2018 and 2018-2019.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Chamber of Commerce Hawaii, Hawai'i Pacific Health, Healthcare Association of Hawaii, The Queen's Health Systems, and one individual.

Your Committees find that nursing facilities in the State face major financial challenges in providing quality long-term care for Hawaii residents. As a result, the Legislature created the nursing facility sustainability program to increase Medicaid payments to nursing facilities in recognition that Medicaid payments to nursing facilities are below the actual costs of care. The additional federal funds obtained via the fee program authorized by the nursing facility sustainability program have helped to reduce the amount of losses incurred by long-term care facilities and maintain access to care for Medicaid recipients. Because the majority of residents in Hawaii's nursing facilities are Medicaid enrollees, the nursing facility sustainability program ensures that they have access to quality care.

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, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 90, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 90, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Kidani).

SCRep. 1019 (Joint) Human Services and Commerce, Consumer Protection, and Health on H.B. No. 432

The purpose and intent of this measure is to make financial exploitation of an elder by a caregiver a felony.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, Honolulu Police Department, Maui County Office on Aging, AARP Hawaii, National Active and Retired Federal Employees Association, Hawaii Family Forum, and three individuals.

Your Committees find that financial exploitation is a fast-growing form of elder abuse. Financial exploitation occurs when a person misuses or takes the assets of an elderly victim for that person's own personal benefit. While state laws and various services protect vulnerable adults, including the elderly, providing an additional deterrent against financial exploitation will further protect the elderly and ensure that they are financially safe.

Your Committees have amended this measure by:

- (1) Inserting an amount of \$50,000 as the minimum total value of the money or property taken or used by a caregiver that would constitute the offense of financial exploitation of an elder;
- (2) Specifying that financial exploitation of an elder is a class A felony;
- (3) Clarifying the definition of "elder" to mean a person who is sixty years of age or older; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 432, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 432, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Kidani).

SCRep. 1020 (Joint) Human Services and Commerce, Consumer Protection, and Health on H.B. No. 89

The purpose and intent of this measure is to:

- (1) Continue the hospital sustainability program for two years;
- (2) Clarify that the rate of the outpatient hospital sustainability fee shall not exceed three percent of net outpatient hospital service revenue;
- (3) Allow the Department of Human Services to exclude any facility from the hospital sustainability fee on outpatient care services if its exclusion is required to meet federal standards of approval; and
- (4) Appropriate funds out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Office of the Mayor of the County of Hawai'i, Chamber of Commerce Hawaii, Hawai'i Pacific Health, Healthcare Association of Hawaii, and The Queen's Health Systems.

Your Committees find that the Legislature created the hospital sustainability program, which was enacted by Act 217, Session Laws of Hawaii 2012, to increase Medicaid payments to hospitals in recognition that Medicaid payments to hospitals were below the actual costs of care. Because of the hospital sustainability program, Medicaid payments to many facilities in the State are closer to the actual costs of care, which helps to ensure that Medicaid patients have access to the hospital care they need.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 89, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Kidani).

SCRep. 1021 (Joint) Commerce, Consumer Protection, and Health and Higher Education on H.B. No. 916

The purpose and intent of this measure is to address the shortage of primary healthcare providers in Hawaii by appropriating funds to the loan repayment program administered through the John A. Burns School of Medicine at the University of Hawaii at Manoa.

Your Committees received testimony in support of this measure from the Department of Health, Department of Labor and Industrial Relations, Hawai'i Psychological Association, University of Hawai'i System, Hawai'i Academy of Family Physicians, Healthcare Association of Hawaii, Hawaii Association of Professional Nurses, Lāna'i Community Health Center, Hawai'i Pacific Health, East Hawaii Region of Hawaii Health Systems Corporation, The Queen's Health Systems, Big Island Toyota, International Longshore and Warehouse Union Local 142 Hawaii, AlohaCare, and twelve individuals.

Your Committees find that Hawaii is facing a shortage of over five hundred doctors, and that this shortage threatens the health of Hawaii residents and cumulatively affects the State's healthcare costs. Your Committees further find that access to care in rural and underserved areas of Hawaii is especially concerning, as these areas have been the most significantly affected by the shortage of primary and behavioral healthcare providers.

Your Committees recognize the need for the State to attract healthcare professionals to practice in Hawaii and find that loan repayment assistance is one of the fastest and least expensive methods to recruit providers. Currently, the John A. Burns School of Medicine at the University of Hawaii at Manoa administers the only loan repayment program available in the State to healthcare professionals and has helped healthcare professionals who serve in communities including Waianae, Hilo, and Wailuku. Your Committees note testimony submitted by the University of Hawai'i System indicating that because federal funding for the program requires a local dollar-for-dollar match, without financial support from the State the program will not be able to reapply for the federal grant and the loan repayment program will end.

Your Committees have amended this measure by:

- (1) Inserting language to clarify that the loan repayment program referred to is the Hawaii Rural Health Care Provider Loan Repayment Program and deleting the reference to psychologists, social workers, licensed professional counselors, and marriage and family therapists benefitting from the program because those professions are not included in section 309H-3, Hawaii Revised Statutes, which establishes the Hawaii Rural Health Care Provider Loan Repayment Program; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 916, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 916, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Kidani).

SCRep. 1022 (Joint) Agriculture and Environment and Water and Land on H.B. No. 904

The purpose and intent of this measure is to:

- (1) Establish and appropriate funds to the invasive species rapid response special fund for the purposes of mitigating or eradicating newly detected invasive species threats in the State; and

- (2) Authorize the Invasive Species Council to request that the Governor declare an invasive species emergency when the Council determines that a newly detected invasive species poses a substantial threat to the agriculture, commerce, economy, environment, or public health of the State.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Office of the Mayor of the County of Hawaii, Conservation Council for Hawai'i, The Nature Conservancy, and five individuals. Your Committees received testimony in opposition to this measure from Animal Rights Hawai'i and Best Friends Animal Society. Your Committees received comments on this measure from the Department of Budget and Finance and The Humane Society of the United States.

Your Committees find that the invasion of Hawaii by insects, disease-bearing organisms, snakes, weeds, and other pests is a significant threat to Hawaii's economy and natural environment and to the health and lifestyle of Hawaii's people. Your Committees further find that an invasive species rapid response fund will increase the State's ability to immediately respond to threats from invasive species at the time of first detection, thus enhancing invasive species prevention and mitigation in Hawaii to effectively protect the State's natural resources and economy and the health and lifestyle of its people.

Your Committees have amended this measure by making it effective on July 1, 2017.

Your Committees recommend that if your Committee on Ways and Means chooses to pass this measure that it consider inserting an appropriation amount of \$300,000 for deposit into the invasive species rapid response special fund.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 904, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 904, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

Water and Land: Ayes, 5. Noes, none. Excused, none.

SCRep. 1023 (Joint) Agriculture and Environment and Higher Education on H.B. No. 1006

The purpose and intent of this measure is to appropriate funds to the Hawaii Ant Lab of the Pacific Cooperative Studies Unit of the University of Hawaii, to support mitigation of the little fire ant.

Specifically, this measure appropriates funds for:

- (1) Two full-time equivalent (2.0 FTE) operator positions and one full-time equivalent (1.0 FTE) supervisor position;
- (2) A vehicle and operating costs of public outreach and treatment;
- (3) Ant baits;
- (4) Field equipment and personal protective equipment; and
- (5) Computers and printers.

Your Committees received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Office of the Mayor of the County of Hawaii; Conservation Council for Hawai'i; Hawai'i Farm Bureau; Little Fire Ant HUI; Hawaii Cattlemen's Council, Inc.; and two individuals.

Your Committees find that the little fire ant, *Wasmannia auropunctata*, threatens native biodiversity, alters tropical ecosystems, impairs human health, impedes tourism, diminishes agricultural productivity, mars horticulture sales, and accordingly ranks among the world's worst invasive species. The County of Hawaii has been affected most by the little fire ant. Your Committees therefore support all efforts to mitigate and eradicate the little fire ant.

Your Committees have amended this measure by making it effective on July 1, 2017.

Your Committees recommend that if your Committee on Ways and Means chooses to pass this measure, that it consider inserting an appropriation amount of \$360,000 for the Hawaii Ant Lab of the Pacific Cooperative Studies Unit of the University of Hawaii, to support mitigation of the little fire ant.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1006, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1006, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1024 (Joint) Agriculture and Environment and Higher Education on H.B. No. 889

The purpose and intent of this measure is to:

- (1) Increase the pesticide licensing fee and require annual renewal of the license;
- (2) Amend authorized uses for monies in the pesticide use revolving fund and repeal the cap on the fund;

- (3) Require the Department of Agriculture and University of Hawaii College of Tropical Agriculture and Human Resources (CTAHR) to execute a memorandum of understanding and submit a report to the Legislature regarding the expenditure of monies from the pesticide use revolving fund;
- (4) Establish an environmental toxicologist position within the Department of Agriculture to partner with the Department of Health toxicologist, through a memorandum of understanding, to expand the technical capacity of the Departments of Agriculture and Health to analyze findings and make recommendations regarding environmental and human health;
- (5) Establish a pesticide extension specialist position, through a contract with the Department of Agriculture, within CTAHR; and
- (6) Appropriate funds out of the pesticide use revolving fund for specific purposes.

Your Committees received testimony in support of this measure from the Chamber of Commerce Hawaii; Hawaii Crop Improvement Association; Western Plant Health Association; CropLife America; Maui County Farm Bureau; PonoHolo Ranch, Limited; Alexander & Baldwin, Inc.; Hawaii Center for Food Safety; Hawai'i Farm Bureau; and eighty-nine individuals. Your Committees received testimony in opposition to this measure from the Hawaii Cattlemen's Council, Inc.; Life of the Land; and one individual. Your Committees received comments on this measure from the Department of Agriculture, University of Hawai'i System, and Hawaii Island School Garden Network.

Your Committees find that the Department of Agriculture is responsible for ensuring that the nearly 10,000 pesticides registered for use in Hawaii are used properly. Your Committees further find that the pesticide use revolving fund is comprised of funds collected by the Department of Agriculture from pesticide license fees, restricted use pesticide dealer license fees, and training fees and is used to support the pesticide program's registration and licensing, certification and education, and compliance monitoring activities. The revolving fund may also be used to establish pesticide training workshops, educational programs, development of integrated pest management strategies, and other services to benefit users of pesticides, including collection, disposal, and recycling of pesticide containers.

Your Committees appreciate the intent of this measure to amend the authorized uses of and repeal the cap on the pesticide use revolving fund; however, based on the testimonies of the Department of Agriculture and University of Hawaii System, your Committees find that other aspects of the bill are unnecessary or may have potentially burdensome fiscal and management implications. Your Committees find that it is best at this time to increase the cap on the pesticide use revolving fund rather than amending its permissible uses and making specific appropriations. An increase on the fund's cap will increase the ability of the Department of Agriculture to conduct critical training and outreach to:

- (1) Ensure that pesticides are not misused, as the misuse of pesticides is not only illegal but may also endanger the health and safety of people and the environment;
- (2) Assist in the disposal of pesticides and pesticide containers; and
- (3) Supplement environmental studies, such as groundwater reviews and water sampling activities.

Accordingly, your Committees have amended this measure by:

- (1) Deleting section 2 which increased in license fee and decreased the renewal term of the license;
- (2) Deleting the proposed new language and restoring the stricken language in section 3;
- (3) Increasing the cap on the pesticide use revolving fund from \$250,000 to \$1,000,000;
- (4) Deleting parts III and IV;
- (5) Amending section 1 to reflect the amended purpose;
- (6) Making it effective July 1, 2017; 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 Agriculture and Environment and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 889, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 889, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Rhoads).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

SCRep. 1025 Hawaiian Affairs on H.B. No. 451

The purpose and intent of this measure is to reduce the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one quarter to one thirty-second.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands; Office of Hawaiian Affairs; Kalamaula Homestead Association; Sovereign Council of Hawaiian Homelands Assembly; Ka Lāhui Hawaii Political Action Committee; Waiohuli Undivided Interest Lessees; Association of Hawaiian Civic Clubs; Ho'omana Pono, LLC; and numerous individuals. Your Committee received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committee finds that many descendants of lessees of Hawaiian home lands do not qualify as successors because interracial marriages and blended families produce descendants who are less than twenty-five percent Hawaiian. These disruptions create undue hardships of displacement and interfere with families' abilities to maintain the equity of their homes and businesses.

Your Committee has amended this measure by clarifying that it takes effect upon its approval by the Governor of the State of Hawaii and upon the consent of the United States Congress.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 451, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 451, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Kim).

SCRep. 1026 Hawaiian Affairs on H.B. No. 620

The purpose and intent of this measure is to appropriate funds for the Kaho'olawe Island Reserve Commission to hire full-time personnel to undertake projects that promote water sustainability and photovoltaic powered desalinization on the island of Kaho'olawe.

Your Committee received testimony in support of this measure from the Kaho'olawe Island Reserve Commission, Department of Planning of the County of Maui, and numerous individuals. Your Committee received testimony in opposition to this measure from the Ka Lāhui Hawaii Political Action Committee, Center for Hawaiian Sovereignty Studies, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that the island of Kaho'olawe was of significant cultural and historic importance to the native people of Hawaii. Your Committee further finds that there are unique challenges to restoring, preserving, and determining the appropriate use of Kaho'olawe. Kaho'olawe still suffers from extensive erosion and other ecological problems, the presence of unexploded ordnance, the existence of archaeological and other cultural and historic sites, and the presence of native and endangered flora and fauna.

Act 161, Session Laws of Hawaii 1994, established the Kaho'olawe Reserve Trust Fund, codified as section 6K-9.5, Hawaii Revised Statutes, to supplement federal funds for the cleanup of unexploded ordnance on Kaho'olawe. On May 9, 1994, the management and control of the Kaho'olawe island reserve was transferred from the United States Navy to the State of Hawaii, with the Kaho'olawe Island Reserve Commission as the state agency designated to oversee the use and restoration of the reserve. During the past ten years, the Kaho'olawe Island Reserve Commission has been able to develop innovative restoration projects that are effective in the extremely harsh conditions of Kaho'olawe and will serve as the foundation for the future restoration of the island.

A fiscal audit of the Kaho'olawe Rehabilitation Trust Fund performed by the Office of the Auditor in 2013 (Auditor Report No. 13-06) found that the trust fund will be depleted imminently without an infusion of additional monies.

The Kaho'olawe Island Reserve Commission's 2026 strategic plan for Kaho'olawe lays out a pathway for the future use and management of the Kaho'olawe island reserve. The strategic plan aims to restore the ecological damage on Kaho'olawe and protect the endangered and rare flora and fauna, so that the people of Hawaii who visit the Kaho'olawe island reserve can do so meaningfully and safely. The strategic plan is entitled "I Ola Kanaloa", or "Life to Kanaloa", and addresses the future restoration, management, and uses of Kaho'olawe for the State, the people of Hawaii, and a possible future sovereign Native Hawaiian entity.

Your Committee further finds that without additional funding, the Kaho'olawe Island Reserve Commission will not be able to continue implementation of its 2026 strategic plan.

Your Committee has amended this measure by:

- (1) Amending the purpose of the appropriation to promote water sustainability, photovoltaic powered desalinization, and general operations of the Kaho'olawe Island Reserve Commission on the island of Kaho'olawe;
- (2) Inserting an effective date of July 1, 2017; 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 Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 620, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 620, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Kim).

SCRep. 1027 Hawaiian Affairs on H.B. No. 335

The purpose and intent of this measure is to enact the Office of Hawaiian Affairs Appropriations Act of 2017 to appropriate funds for the Office of Hawaiian Affairs for the fiscal biennium beginning July 1, 2017, and ending June 30, 2019.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaiian Affairs Caucus of the Democratic Party of Hawai'i, Kamehameha Schools, Alaka'aina Foundation, Native Hawaiian Chamber of Commerce, Pacific Islanders in Communications, Papa Ola Lōkahi, Kua'āina Ulu 'Auamo, Ho'omana Pono, LLC, Hawai'i Green Growth, Hawaiian Media Makers, Kalihi Palama HCC, Mana Maoli, Solutions Pacific, and five individuals.

Your Committee finds that the Office of Hawaiian Affairs is focused on strategic priorities for improving the conditions of Native Hawaiians in the areas of 'aina, economic self sufficiency, education, governance, and health. The Office of Hawaiian Affairs also conducts research to guide decisions and empower communities to inspire positive results in these areas.

Your Committee further finds that the Office of Hawaiian Affairs enhances Hawaiian well-being by collaborating with various organizations to strengthen community resources. The Office of Hawaiian Affairs provides Native Hawaiian students with scholarship money to help pay for college and loans to help Native Hawaiians start businesses, improve homes, consolidate debts, and continue their education. The Office of Hawaiian Affairs also awards money to various organizations aiding Hawaiians, including Hawaiian-focused charter schools, Papa Ola Lōkahi, and the Department of Hawaiian Home Lands.

Your Committee further finds that the Office of Hawaiian Affairs remains committed to leveraging each state dollar it receives toward targeted programs and services that systematically benefit the Native Hawaiian and larger Hawai'i communities.

Your Committee desires to bring to the attention of your Committee on Ways and Means the written testimony of the Office of Hawaiian Affairs on this measure and its proposed S.D. 1, which restores some of the funding that has been reduced in the H.D. 2 version of this measure. Your Committee believes that the Office of Hawaiian Affairs is taking a harsh cut to its budget that will result in layoffs of personnel and jeopardize current levels of social services and improvement programs in education, health, housing, and income for Native Hawaiians. These programs are the very essence of the office's constitutional and statutory duties to better the condition of Native Hawaiians. Your Committee sympathizes with the Office of Hawaiian Affairs, but realizes at the same time that the Council on Revenues has significantly adjusted downward its projection of revenues for the upcoming fiscal year. This means that all state departments and agencies must share in the sacrifice by reducing their budgets. The Office of Hawaiian Affairs has indicated that it understands this reality, however your Committee requests your Committee on Ways and Means to preserve the Office's budget to the greatest extent possible, and at the very least to preserve the funding levels in the H.D. 2 version of this measure, in order to continue to the betterment of Native Hawaiians.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 335, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Green, Kim).

SCRep. 1028 Housing on H.B. No. 599

The purpose and intent of this measure is to:

- (1) Amend the Hawaii State Planning Act to prioritize housing opportunities for extremely low- to above moderate- income households;
- (2) Require periodic updates to functional plans; and
- (3) Amend the member nomination process for advisory committees for functional plans.

Your Committee received testimony in support of this measure from the Office of Planning and one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the cost of housing in Hawaii is among the highest in the nation. Your Committee further finds that the Hawaii state plan is an important tool for shaping the policy priorities in Hawaii. Your Committee additionally finds that the Hawaii state plan in general, and the functional plans generated by various state agencies in particular, can provide necessary guidance and incentives for the development of affordable housing units throughout the State. This measure will refine the State's priority of providing affordable housing and ensure that state agencies maintain updated functional plans in their respective areas.

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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 599, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 599, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 1029 Housing on H.B. No. 1179

The purpose and intent of this measure is to:

- (1) Expand the types of rental housing projects that can be exempt from general excise taxes; and
- (2) Allow the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Housing Finance and Development Corporation, Office of the Mayor of the County of Hawaii, Pacific Resource Partnership, Hawaii Construction Alliance, Hawaii Rental Housing Coalition, and one individual. Your Committee received comments on this measure from the Department of Taxation, Hawaii Community Development Authority, and Tax Foundation of Hawaii.

Your Committee finds that a critical shortage of affordable housing exists in Hawaii. Your Committee further finds that, of the estimated 64,700 housing units required to meet projected long-term housing demands, over 22,200 are rental units. Your Committee additionally finds that high costs associated with constructing and operating rental housing discourage developers from producing needed affordable rental units. This measure will establish a tax incentive and simplify wage law compliance for developers and contractors who build affordable rental housing units.

Your Committee has amended this measure by:

- (1) Allowing the terms of project labor agreements to be deemed prevailing wages when those terms conform to the Hawaii prevailing wage schedule and the amount of wages have been approved by the Director of Labor and Industrial Relations;
- (2) Applying the tax credit to taxable years beginning after December 31, 2017; 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 Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1179, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1179, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1030 Transportation and Energy on H.B. No. 306

The purpose and intent of this measure is to require persons charged with operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant to be fitted with a continuous alcohol monitoring device under certain circumstances.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, Department of the Prosecuting Attorney of the City and County of Honolulu, Alcohol Monitoring Systems Inc., and two individuals. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and Smart Start, LLC. Your Committee received comments on this measure from Mothers Against Drunk Driving HAWAII.

Your Committee finds that this measure addresses the issue of repeat offenders charged with driving while under the influence of an intoxicant. According to testimony, during the 2015 calendar year, the Administrative Driver's License Revocation Office adjudicated one thousand seventy-one cases involving repeat offenders which represents seventeen percent of the total number cases handled that year. These repeat offenders continued to drive, placing other roadway users at risk. Additionally, of the ninety-three motor vehicle fatalities that occurred in the 2015 calendar year, fifty-one individuals, or 54.8 percent, had positive alcohol and or drug results.

Your Committee finds that this measure will reduce the number of fatalities caused by drivers driving while under the influence of an intoxicant.

Your Committee has amended this measure, upon the recommendation of the Department of the Prosecuting Attorney of the City and County of Honolulu, by:

- (1) Clarifying that this measure applies to a person who is a repeat intoxicated driver;
- (2) Clarifying that removal of the device upon being taken into custody by the Department of Public Safety or for a verified medical reason, is not a violation of the terms of release on bail, and requires the person to be refitted with a continuous alcohol monitoring device;
- (3) Requiring the continuous alcohol monitoring device to be fitted, maintained, and monitored by a single vendor statewide with all costs associated with the monitoring device to be paid by the person;
- (4) Requiring the vendor to provide partial financial relief for the fitting and maintenance charges to persons who apply for such assistance and who are recipients, at the time of license revocation or suspension, of either food stamps under the Supplemental Nutrition Assistance Program, or free services under the Older Americans Act or Developmentally Disabled Assistance and Bill of Rights Act; 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 Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 306, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 306, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 1031 Transportation and Energy on H.B. No. 1587

The purpose and intent of this measure is to replace the state vehicle weight tax with a tax based on the assessed value of the vehicle.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received testimony in opposition to this measure from the Hawaii Transportation Association and Hawaii Auto Dealers Association. Your Committee received comments on this measure from the Department of Customer Services of the City and County of Honolulu and Tax Foundation of Hawaii.

Your Committee finds that the vehicle weight tax has historically been used for road construction and repairs and is the major source of funding for the state highway fund. The Department of Transportation testified that changing from a vehicle weight tax to an ad valorem tax may negatively impact the Department's highway revenue bonds ratings. The fiscal impact of this measure is unclear and an ad valorem tax may be more complex to administer and may be a less stable source of funding because the taxable value of a vehicle will decline over time due to depreciation.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting provisions to raise motor vehicle fuel taxes by unspecified amounts;
- (2) Inserting an effective date of July 1, 2017; 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 Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1587, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1587, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Dela Cruz). Noes, none. Excused, 2 (English, Harimoto).

SCRep. 1032 Transportation and Energy on H.B. No. 1580

The purpose and intent of this measure is to:

- (1) Establish a clean ground transportation benchmark framework to maximize consumer fuel savings, including a near term 2025 target encouraging electric vehicle infrastructure buildout supporting Hawaii's goal for the reduction and ultimate elimination of the use of imported fuels for ground transportation; and
- (2) Direct the Department of Transportation to collaborate with the state energy office to develop recommendations to achieve those benchmarks.

Your Committee received testimony in support of this measure from the Department of Transportation; Department of Business, Economic Development, and Tourism; Office of Economic Development, County of Kauai; Hawaiian Electric Company, Inc.; Sierra Club of Hawai'i; Tesla, Inc.; Culture Guru, Inc.; Americans for Democratic Action; Citizens' Climate Lobby; Baldwin Professional Services, LLC; Students of Sustainability, SOS Hilo, Hawaii; Student Sustainability Coalition of Hawai'i; Waikiki Bike Tours & Rentals; Young Progressives Demanding Action; Pacific Biodiesel Technologies; Blue Planet Foundation; Big Island EV Association; Graduate Student Organization University of Hawai'i at Manoa; We Are One, Inc.; Hawaii Transportation Association; Hawaii Petroleum Marketers Association; Hawaii Bicycling League; and eighty-one individuals. Your Committee received comments on this measure from the Office of the Mayor, County of Hawaii and one individual.

Your Committee finds that it is vital that the State begin transitioning away from imported fossil fuel-powered ground transportation. Moving away from imported fossil fuel-powered ground transportation is an important step in moving toward cleaner and more efficient transportation systems powered by renewable, local energy sources. Eliminating the State's reliance on imported fossil fuel-powered ground transportation will also combat greenhouse gas emissions which contribute to climate change. Climate change causes sea levels to rise which threatens coastal residences and businesses and poses other additional risks to public health. An effective way to combat the State's reliance on imported fossil fuels and, thus, climate change is to transition to the use of electric vehicles. Electric vehicles also provide the added benefit of being less expensive to operate on a per-mile basis than their gas-powered counterparts. However, the effective transition to widespread use of electric vehicles across the State requires the development of critical infrastructure elements, such as electric vehicle charging stations. Consequently, establishing a plan and a target date for transitioning to clean ground transportation are essential steps in progressing toward the State's goal of one hundred percent clean energy ground transportation.

Accordingly, your Committee has amended this measure by:

- (1) Adding language to clarify that the Department of Transportation is to identify a plan for the reduction and ultimate elimination of the State's dependence on imported fossil fuels for ground transportation by 2045;
- (2) Updating the definition of "electric vehicle" to include fuel cell electric vehicles and defining "fuel cell electric vehicle";
- (3) Requiring a plan for the installation of one electric vehicle charging station for every five electric vehicles deployed or the installation of one electric vehicle charging station for every thirty miles;
- (4) Codifying the Hawaii clean ground transportation initiative in chapter 196, Hawaii Revised Statutes, the energy resources chapter, rather than chapter 264, Hawaii Revised Statutes, the highways chapter; 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 Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1580, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1580, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 1033 (Joint) Transportation and Energy and Water and Land on H.B. No. 634

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to the Board of Water Supply to upgrade Nuuanu reservoir #1 to meet dam safety standards, as a component of the Nuuanu hydroelectricity project.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Board of Water Supply, Ulupono Initiative, American Society of Civil Engineers Hawaii Section, and Healthy Climate Communities. Your Committees received testimony in opposition to this measure from the Hui Malama 'Auwai O Nu'uanu. Your Committees received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committees find that achieving the stated goal of transitioning Hawaii to a clean energy economy is essential for the State's future sustainability. Achieving a one hundred percent renewable energy economy will require the utilization of all available renewable energy resources, including hydroelectricity. There is great potential for hydroelectric energy generation on the Island of Oahu, with at least one estimate suggesting that there may be as much as one hundred to two hundred megawatts of pumped storage hydro on the island. The Nuuanu hydroelectricity project, which will connect existing reservoirs in Nuuanu Valley to generate

renewable hydroelectric energy, provide energy storage of off-peak solar or wind energy supplies, and supplement usable groundwater supplies, can play a central role in harnessing Oahu's hydroelectric energy potential. Nuuanu reservoir #1 is an essential component of the Nuuanu hydroelectricity project. However, your Committees understand the testimony of the Department of the Attorney General explaining that the intent of this measure is to upgrade Nuuanu reservoir #1 to comply with applicable dam safety standards in anticipation of future hydroelectric energy generation.

Accordingly, your Committees have amended this measure by:

- (1) Changing references to part VI, chapter 39A, Hawaii Revised Statutes, to part XII, chapter 39A, Hawaii Revised Statutes; and
- (2) Clarifying language to make clear that this measure is a reservoir upgrade project and not an electricity generation project.

Your Committees also note that upgrades to Nuuanu reservoir #1 present some significant potential risks to families living downstream. Consequently, your Committees are concerned about the potential impacts on families in the area of any dam project. Accordingly, your Committees want to ensure that those potentially impacted families are given proper and timely notice so that they may be involved in any discussions relating to dam upgrades. Your Committees, therefore, urge the Board of Water Supply to mail timely notices to each family that could potentially be impacted by the dam project to inform those families of public hearings on the project so that those families may attend the hearings to offer comments and have their concerns addressed.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Water and Land 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1034 (Joint) Transportation and Energy and Water and Land on H.B. No. 635

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to the Board of Water Supply to upgrade Nuuanu reservoir #4 to meet dam safety standards, as a component of the Nuuanu hydroelectricity project.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Board of Water Supply, Ulupono Initiative, American Society of Civil Engineers Hawaii Section, and Healthy Climate Communities. Your Committees received testimony in opposition to this measure from the Hui Malama 'Auwai O Nu'uuanu. Your Committees received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committees find that achieving the stated goal of transitioning Hawaii to a clean energy economy is essential for the State's future sustainability. Achieving a one hundred percent renewable energy economy will require the utilization of all available renewable energy resources, including hydroelectricity. There is great potential for hydroelectric energy generation on the Island of Oahu, with at least one estimate suggesting that there may be as much as one hundred to two hundred megawatts of pumped storage hydro on the island. The Nuuanu hydroelectricity project, which will connect existing reservoirs in Nuuanu valley to generate renewable hydroelectric energy, provide energy storage of off-peak solar or wind energy supplies, and supplement usable groundwater supplies, can play a central role in harnessing Oahu's hydroelectric energy potential. Nuuanu reservoir #4 is an essential component of the Nuuanu hydroelectricity project. However, your Committees understand the testimony of the Department of the Attorney General explaining that the intent of this measure is to upgrade Nuuanu reservoir #4 to comply with applicable dam safety standards in anticipation of future hydroelectric energy generation.

Accordingly, your Committees have amended this measure by:

- (1) Changing references to part VI, chapter 39A, Hawaii Revised Statutes, to part XII, chapter 39A, Hawaii Revised Statutes; and
- (2) Clarifying language to make clear that this measure is a reservoir upgrade project and not an electricity generation project.

Your Committees also note that upgrades to Nuuanu reservoir #4 present some significant potential risks to families living downstream. Consequently, your Committees are concerned about the potential impacts on families in the area of any dam project. Accordingly, your Committees want to ensure that those potentially impacted families are given proper and timely notice so that they may be involved in any discussions relating to dam upgrades. Your Committees, therefore, urge the Board of Water Supply to mail timely notices to each family that could potentially be impacted by the dam project to inform those families of public hearings on the project so that those families may attend the hearings to offer comments and have their concerns addressed.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 635, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 635, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1035 Transportation and Energy on H.B. No. 1258

The purpose and intent of this measure is to:

- (1) Establish licensing and registration requirements for autocycles; and
- (2) Define "autocycle".

Your Committee received testimony in support of this measure from the Department of Transportation and Polaris Industries.

Your Committee finds that autocycles are becoming increasingly common on roadways. The body styles vary greatly, but they all operate on three wheels.

Your Committee further finds that the advantage of an autocycle is that drivers get more wind and weather protection than they would on a motorcycle. The compact and light construction of an autocycle construction allows for small engines that get motorcycle-like fuel economy.

Your Committee has amended this measure, on the recommendation of the Department of Transportation, by clarifying that:

- (1) A person must hold either a type 2 or type 3 driver's license to operate an autocycle; and
- (2) An autocycle is a three-wheeled motorcycle rather than a three-wheeled motor vehicle.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1258, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1258, H.D. 2, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1036 Government Operations on H.B. No. 1229

The purpose and intent of this measure is to require public works construction bids to include the name of each joint contractor and subcontractor only when the total estimated contract value is more than an unspecified amount; provided that bids lacking joint contractor and subcontractor names may be accepted if it is in the best interest of the State and the value of the work to be performed by the joint contractor or subcontractor is equal to or less than one percent of the total bid amount.

Your Committee received testimony in support of this measure from the Department of Budget and Fiscal Services of the City and County of Honolulu; General Contractors Association of Hawaii; Building Industry Association of Hawaii; Nordic PCL Construction, Inc.; Healy Tibbitts Builders, Inc.; Tomco Corp.; LYZ, Inc.; Jayar Construction, Inc.; S & M Sakamoto, Inc.; Alan Shintani, Inc.; Ralph S Inouye Co, Ltd; and Hawaiian Dredging Construction Company, Inc. Your Committee received testimony in opposition to this measure from the State Procurement Office; Department of Accounting and General Services; Subcontractors Association of Hawaii; Electrical Contractor's Association of Hawai'i; Sheet Metal Contractors Association; Plumbing and Mechanical Contractors Association of Hawaii; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers; Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; and Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund. Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that requiring the listing of joint contractors and subcontractors for all public works construction projects may result in unnecessary bid protests, award delays, and increased project costs. Such circumstances often lead to inefficiencies in completing public work projects, and your Committee supports placing limits on the public works construction bids that require joint contractor and subcontractor listings. Your Committee further finds that the contract value threshold and joint contractor and subcontractor work percentage threshold in this measure deserves further attention and study as it advances through the legislative process.

Your Committee has amended this measure by:

- (1) Removing the one percent threshold and inserting a blank percent for situations when the total bid value that the joint contractor or subcontractor work must be less than for the bid to be acceptable without listing joint contractors and subcontractors; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1229, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1229, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Rhoads). Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1037 Government Operations on H.B. No. 1518

The purpose and intent of this measure is to:

- (1) Authorize that upon request from a state agency, the Office of Information Practices may under certain conditions declare a person a vexatious records requester;
- (2) Restrict a vexatious requester's rights under the Uniform Information Practice Act for no longer than two years; and
- (3) Establish an appeals process for a person declared a vexatious records requester.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Health; Hawaii Public Housing Authority; University of Hawaii System; and Hawaii Health Systems Corporation. Your Committee received testimony in opposition to this measure from the Civil Beat Law Center for Public Interest. Your Committee received comments on this measure from the Office of Information Practices and Grassroot Institute of Hawaii.

Your Committee finds that the public interest is best served by the public right to scrutinize the records of government agencies, and that most record requests made under the Uniform Information Practices Act are valid and made in good faith. Unfortunately, it is not unheard of for a requester to abuse the process and make repeated and excessive requests in attempts to harass an agency and drain resources. The protection and judicious use of government time and resources necessitates a process by which a requester acting in bad faith may be declared a vexatious records requester.

Your Committee has amended this measure by:

- (1) Deleting section 2 and inserting language that:
 - (A) Allows an agency to seek a declaratory judgment in the appropriate circuit court for a determination that a requester is a vexatious records requester;
 - (B) Establishes that the agency shall have the burden of proof to establish that the requester has a clear pattern of making requests that are manifestly excessive or in bad faith and interfere with an agency's responsibilities; and
 - (C) Establishes that the court may grant further relief, subject to certain conditions; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1518, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Rhoads). Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1038 (Joint) Government Operations and Economic Development, Tourism, and Technology on H.B. No. 1382

The purpose and intent of this measure is to:

- (1) Establish a three-year small business assistance initiative within the State Procurement Office to facilitate the collection and development of relevant data and information and convene stakeholders for the development of an effective small business program, including the development of rules;
- (2) Establish a small business procurement coordinator position, small business office, and small business advisory group as part of the small business initiative; and
- (3) Appropriate funds for the small business assistance initiative.

Your Committees received testimony in support of this measure from the State Procurement Office; Department of Transportation; Small Business Regulatory Review Board; Chamber of Commerce Hawaii; AMEL Technologies, Inc.; Minatoishi Architects; and Holomua Consulting Group, LLC.

Your Committees find that establishing a small business assistance initiative with adequate staff and funding is a necessary first step in improving the climate and outlook for small businesses in Hawaii. Your Committees find that small businesses are essential to the State's economy, create invaluable employment opportunities, and spur innovation and creativity. Your Committees find that the initiative proposed in this measure will provide vital data for understanding the small business landscape in the State, and will facilitate responsible decision-making going forward when creating a small business program that will ensure the long-term success of small businesses, including veteran-, Native Hawaiian-, and women-owned small businesses, in Hawaii.

As affirmed by the records of votes of the members of your Committees on Government Operations and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1382, H.D. 1, and recommend that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1039 International Affairs and the Arts on H.B. No. 875

The purpose and intent of this measure is to increase the number of qualified applicants for technical professional positions and reduce the backlog of project reviews by appropriating funds for five full-time equivalent (5.00 FTE) temporary student intern positions within the State Historic Preservation Division of the Department of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Historic Hawaii Foundation and one individual. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committee received comments on this measure from Pulama Lanai.

Your Committee finds that state historic preservation efforts play an essential role in the protection and management of the State's historic places, burial sites, and aviation artifacts. However, due to the current strength of the State's economy, demand for housing, and critical infrastructure needs, the State Historic Preservation Division has a substantial backlog of projects in the State needing review. Your Committee further finds that this measure will add student intern positions at the State Historic Preservation Division and these positions will assist in reducing the backlog of reviews.

Your Committee has amended this measure by specifying that the appropriation shall be out of the general revenues of the State of Hawaii rather than from an unspecified special fund.

As affirmed by the record of votes of the members of your Committee on International Affairs and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 875, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 875, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1040 International Affairs and the Arts on H.B. No. 1438

The purpose and intent of this measure is to appropriate funds to honor the 100th Anniversary of World War I with programs, ceremonies, and activities to commence on April 2, 2017.

Your Committee received testimony in support of this measure from the Department of Defense, State Office of Veterans Services; Veterans of Foreign Wars, Department of Hawaii; Oahu Veterans Center; Friends of the Natatorium; and four individuals.

Your Committee finds that on April 6, 1917, the United States of America declared war on the German Empire. During the conflict, approximately ten thousand men and women from the Territory of Hawaii volunteered to serve in the Great War. Your Committee finds that it is important to honor the sacrifices of the men and women who served in the Great War, and to remember the suffering and loss of life of all who were involved. Your Committee further finds that the funds appropriated for the purposes of commemorating the one-hundredth anniversary of World War I will help create programs, ceremonies, and activities for the event.

Your Committee has amended this measure by clarifying that the activities will occur from April 2, 2017, through November 11, 2018.

As affirmed by the record of votes of the members of your Committee on International Affairs and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1438, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1438, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1041 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1130

The purpose and intent of this measure is to authorize the Department of Public Safety to administer lie detector and psychological tests to determine the suitability of candidates for corrections employment.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that the hiring of high-quality employees, particularly in corrections agencies, is vital to protecting the health, safety, and welfare of the public. The administration of lie detector tests or psychological tests to prospective employees can be effective methods for ensuring the hiring of high-quality employees. Therefore, it is important to allow corrections agencies to administer lie detector tests and psychological tests to determine the suitability of candidates for employment to serve the State and public.

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. 1130, H.D. 1, and recommends that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Thielen).

SCRep. 1042 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1435

The purpose and intent of this measure is to clarify that the comprehensive loss reduction plan of the Hawaii Hurricane Relief Fund shall include implementing building code requirements for hurricane standards in accordance with state building code and design standards.

Your Committee received testimony in support of this measure from the Hawaii Emergency Management Agency; Hawaii Hurricane Relief Fund; State Fire Council; Honolulu Fire Department; Kaua'i Fire Department; Department of Emergency Management, City and County of Honolulu; Maui Fire Department; American Council of Engineering Companies of Hawaii; The Maritime Group, LLC; and Structural Engineers Association of Hawaii. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that mitigating future losses due to hurricanes is essential for the public's health, safety, and welfare. The losses resulting from hurricanes can be devastating and wide-ranging. Along with the obvious property damage that hurricanes can cause, hurricanes can also impact the cost and availability of hurricane insurance. The Hawaii Hurricane Relief Fund was created to develop a comprehensive loss reduction plan for hurricane peril, including standards for residential and commercial structures and a timetable for the implementation of mandatory mitigation measures. In addition, the State Building Code Council is also responsible for establishing residential and hurricane resistant standards related to loss mitigation standards. However, the Council has never been properly funded and has consequently been limited in its ability to carry out its duties. Moreover, the overlapping responsibilities of the Hawaii Hurricane Relief Fund and the State Building Code Council have created confusion and resulted largely in a failure to implement the proper building standards and develop a loss mitigation plan. Therefore, it is necessary to amend the relevant statutes to require the Hawaii Hurricane Relief Fund to develop building code hurricane standards in accordance with state building code and design standards and to appropriately fund the adoption of administrative rules to implement those standards.

Your Committee recognizes the testimony presented by representatives of the State Building Code Council conveying that the Council is already required to submit reports to the Legislature and that any funds used relative to the Hawaii Hurricane Relief Fund

would be included in any such report. Therefore, it is unnecessary to include an additional reporting requirement for the State Building Code Council.

Your Committee also understands the concerns of the Hawaii Emergency Management Agency relating to this measure's repeal date. This measure is intended to establish a recurring systematic process for regularly updating hurricane standards in accordance with state building code and design standards. Therefore, including a date that would repeal this measure in a year would negate one of this measure's primary purposes.

Accordingly, your Committee has amended this measure by:

- (1) Removing the reporting requirement for the State Building Code Council;
- (2) Deleting the repeal date and all language relating to a repeal; and
- (3) Making 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. 1435, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1435, H.D. 2, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1043 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on H.B. No. 478

The purpose and intent of this measure is to appropriate funds for:

- (1) A full-time agricultural management position and equipment for Kulani Correctional Facility agriculture operations; and
- (2) A full-time agricultural management position for Waiawa Correctional Facility agriculture operations.

Your Committees received testimony in support of this measure from the Department of Public Safety; Community Alliance on Prisons; Ho'omana Pono, LLC; and five individuals.

Your Committees find that agricultural programs at correctional facilities provide numerous benefits for the correctional system and inmates. A rise in the prison population has led to an important need for correctional facilities and agencies to cut costs. One means of reducing correctional costs is to produce food in-house through agricultural programs. These types of agricultural programs provide the additional benefit of furthering inmate rehabilitation by teaching inmates a variety of technical skills and trades. Further, inmates working on prison farm programs tend to be less aggressive and less prone to recidivism. Accordingly, this measure appropriates funds for a full-time agricultural management position and equipment for Kulani Correctional Facility agriculture operations and for a full-time agricultural management position and equipment for Waiawa Correctional Facility agriculture operations.

Your Committees have amended this measure by:

- (1) Inserting a blank appropriation for equipment for Waiawa Correctional Facility agriculture operations;
- (2) Inserting an effective date of July 1, 2017; 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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 478, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 478, H.D. 1, S.D. 1, and be referred to your 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 (Wakai).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

SCRep. 1044 International Affairs and the Arts on Gov. Msg. No. 532

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

GM. No. 532 KATHARINE STEPHENS, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Ms. Katharine Stephens to possess the requisite qualifications to be nominated to the Hawaii Historic Places Review Board.

Your Committee received testimony in support of the nomination of Ms. Katharine Stephens from the Department of Land and Natural Resources and Historic Hawaii Foundation.

Your Committee finds that Ms. Stephens has twenty-five years of experience as a licensed architect specializing in historic preservation and research. She received her Masters of Architecture and a Certificate in Historic Preservation from the University of Hawaii. She also received a Bachelor of Science in Architectural Engineering from the University of Colorado. Ms. Stephens has a broad array of experience working with historic buildings, including analyzing the integrity and significance of structures for purposes

of historic structure reports for the U.S. National Park Service, National Register of Historic Places nominations, and cultural resource surveys within the State.

Upon review of the testimony, your Committee finds that Ms. Stephens' professional experience and background qualify her for appointment to the Hawaii Historic Places Review Board. Your Committee notes that Ms. Stephens has contributed to restoration projects that have preserved precious historical and cultural significance in the State. Your Committee further finds that Ms. Stephens has been the recipient of several Historic Preservation Honor Awards from the Historic Hawaii Foundation and has been a guest instructor for the foundation's historic preservation seminars. Ms. Stephens will bring in-depth knowledge of architecture and historic preservation to the Board.

As affirmed by the record of votes of the members of your Committee on International Affairs 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, 4. Noes, none. Excused, 1 (English).

SCRep. 1045 (Joint) Transportation and Energy and Economic Development, Tourism, and Technology on H.B. No. 592

The purpose and intent of this measure is to extend the sunset date of the alternative energy research and development pilot program to June 30, 2019, and appropriate funds for the program.

Your Committees received testimony in support of this measure from the High Technology Development Corporation, Chamber of Commerce Hawaii, Navatek, Oceanit, and five individuals.

Your Committees find that achieving the stated goal of transitioning Hawaii to a clean energy economy is essential for the State's future sustainability. Despite progress toward developing an entirely renewable energy economy, the State maintains an unsustainable dependence on imported fossil fuels as its primary energy source. Effectively transitioning to one hundred percent clean energy will require the continued research and development of alternative energy technologies. The Legislature has long recognized this critical need and in 2015, established a matching grant program to support the State's local companies that were conducting renewable energy research and development through existing contracts with the principal research division of the United States Department of Defense, Office of Naval Research. That program is set to expire on June 30, 2017. Your Committees find that the alternative energy research and development pilot program has been successful and remains a necessary component in aiding the State in developing desperately needed alternative energy technologies. Accordingly, it is necessary to extend the pilot program for an additional two years.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 592, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).
Economic Development, Tourism, and Technology: Ayes, 5. Noes, none. Excused, none.

SCRep. 1046 (Joint) Transportation and Energy and Economic Development, Tourism, and Technology on H.B. No. 1543

The purpose and intent of this measure is to establish energy systems and technology training courses for state and county employees responsible for permitting, inspecting, licensing, and approving construction projects that contain renewable energy systems and related technology and to appropriate funds for the courses.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; State Fire Council; Honolulu Fire Department; Distributed Energy Resources Council of Hawaii; Hawaii Solar Energy Association, Inc.; and one individual.

Your Committees find that accomplishing the State's stated goal of transitioning to one hundred percent clean energy is vital to creating a sustainable future for the State. As a means of accomplishing the State's clean energy goals, the State has created incentives for the adoption of new technology, energy systems, and equipment. These incentives have led to increased installation of these products and related construction projects. While these projects have been environmentally and economically beneficial for the State, the sheer number of projects has at times placed additional burdens on those government employees responsible for permitting, inspecting, licensing, and approving projects. Specifically, these employees, in order to properly perform their jobs, must remain constantly informed of new technologies in the energy sector. However, these employees are not receiving adequate training, and they are, therefore, forced to conduct their own research or pay for their own training. Moreover, the lack of necessary training can cause unnecessary delays in the approval or implementation of needed projects. Therefore, it is necessary to establish energy systems and technology training courses for those government employees responsible for permitting, inspecting, licensing, and approving construction projects that contain renewable energy systems and related technology and to provide funding for those courses.

Further, your Committees acknowledge the utility of the Department of Business, Economic Development, and Tourism's suggestion that the creation of a committee comprised of industry stakeholders and the proper training administration agency would help to maximize the benefits of the energy systems and technology training courses.

Your Committees also understand the concerns raised by the Department of Business, Economic Development, and Tourism regarding the Department's inability to administer the training courses because of lack of proper funding, staffing, training, and knowledge in the area of educational development.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the University of Hawaii community colleges to develop, design, prepare, and conduct energy systems and technology training courses for county employees at no cost;

- (2) Establishing a committee comprised of industry stakeholders and county representatives to work with the University of Hawaii community colleges in developing the energy systems and technology training courses;
- (3) Requiring the University of Hawaii community colleges to submit a report on its progress in developing the energy systems and technology training courses prior to the Regular Session of 2019;
- (4) Limiting the training courses to county employees;
- (5) Inserting an appropriation of \$125,000 for energy systems and technology training courses; 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 Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1543, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1543, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Economic Development, Tourism, and Technology: Ayes, 5. Noes, none. Excused, none.

SCRep. 1047 (Joint/Majority) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 115

The purpose and intent of this measure is to require:

- (1) The administrative head of each state department or agency to convey, by deed of conveyance, to each respective county the title of all disputed public highways in a county with a population of five hundred thousand or more in which the disputed public highway is situated, after the administrative head of the department or agency first consults with the state director of transportation;
- (2) The applicable county to accept a conveyance without the exercise of discretion; and
- (3) A county to accept surrender of a road in which there is a dispute of ownership and jurisdiction under certain circumstances.

Your Committees received testimony in support of this measure from the Department of Transportation, Musicians' Association of Hawai'i AFM Local 677, Bank of Hawaii, and one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committees find that there are numerous roads throughout the State whose ownership has been disputed or called into question. These roads often do not receive proper care and maintenance. These disputes create difficulties for members of the public and government agencies when individuals report repair or maintenance issues.

Act 221, Session Laws of Hawaii 1965, provided that all public highways not under the jurisdiction of the Department of Transportation were declared to be owned by the respective county governments. However, counties have not acknowledged their ownership and jurisdiction, in part because title for many of these roads were not transferred by deed of conveyance or other tangible evidence of ownership.

Your Committees have amended this measure by:

- (1) Removing the definitions of "disputed public highway", "public highway", and "road", and inserting a definition of "disputed road", for purposes of accuracy;
- (2) Clarifying that disputed roads are those in which there is a dispute over ownership and jurisdiction between the State or any of its political subdivisions and the county or a private party, and not just between the State and a private party;
- (3) Removing the requirement that by January 1, 2018, the administrative head each state department or agency convey the title of all disputed public highways to the respective county in which the public highway is situated;
- (4) Removing language relating to the State's acceptance of a road after surrender to the county; 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 Transportation and Energy 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. 115, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 115, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 2. Noes, 1 (Harimoto). Excused, 2 (Dela Cruz, English).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1048 (Joint) Water and Land and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 636

The purpose and intent of this measure is to appropriate funds to establish a two-year water conservation financial assistance pilot program to provide financial assistance to county-owned public water systems to help implement water conservation incentive programs.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i; Department of Water Supply of the County of Hawai'i; Department of Water of the County of Kaua'i; Board of Water Supply of the City and

County of Honolulu; Ulupono Initiative; Pacific Resource Partnership; Nature Conservancy Hawai'i; One World One Water, LLC; Hawai'i Fresh Water Initiative; Hawai'i Green Growth; Sierra Club Of Hawai'i; Plumbers and Pipefitters Local 675; and five individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that as an island state, Hawaii has limited access to natural fresh water. Your Committees find that a water conservation program that provides financial assistance to county-owned public water systems and their customers to help implement water conservation measures and practices will reduce water use or waste. Your Committees further find that water conservation is one of the most cost-effective long-term water supply options for the State.

Your Committees note that, based on testimony provided to your Committees, water conservation programs can be effectively launched at the county level with an appropriation of \$335,000 for fiscal year 2017-2018 and \$540,000 for fiscal year 2018-2019. It is estimated that the counties could absorb a 1:1 match at the following levels:

- (1) Honolulu: \$210,000 for fiscal year 2017-2018 and \$350,000 for fiscal year 2018-2019;
- (2) Maui: \$60,000 for fiscal year 2017-2018 and \$75,000 for fiscal year 2018-2019;
- (3) Hawaii: \$50,000 for fiscal year 2017-2018 and \$100,000 for fiscal year 2018-2019; and
- (4) Kauai: \$15,000 for fiscal year 2017-2018 and \$15,000 for fiscal year 2018-2019.

Your Committees have amended this measure by:

- (1) Establishing the two-year water conservation financial assistance pilot program within each of the four county water supply departments, rather than within the Commission on Water Resource Management, and making conforming amendments;
- (2) Clarifying that each county water supply department shall provide matching funds on a 1:1 basis to state funds;
- (3) Clarifying that the state funds are to be appropriated out of the general revenues rather than an unspecified special fund; 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 are in accord with the intent and purpose of H.B. No. 636, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 636, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 5. Noes, none. Excused, none.

SCRep. 1049 (Joint) Water and Land and Agriculture and Environment on H.B. No. 655

The purpose and intent of this measure is to appropriate funds for the Department of Land and Natural Resources to assist and provide supplemental funds to the National Wildlife Research Center of the United States Department of Agriculture to:

- (1) Research the negative impacts of the rose-ringed parakeet on the island of Kauai; and
- (2) Develop and implement a control plan to reduce the negative impacts of the rose-ringed parakeet on the island of Kauai.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Kaua'i Invasive Species Committee, Land Use Research Foundation of Hawaii, Hawai'i Farm Bureau, Coordinating Group on Alien Pest Species, DOW Agrosiences, Hawaii Crop Improvement Association, Kauai County Farm Bureau, and eighty-eight individuals. Your Committees received testimony in opposition to this measure from Animal Rights Hawai'i.

Your Committees find that the rose-ringed parakeet, *Psittacula krameri*, native to Africa and India, is considered to be one of the most significant agricultural pests of important food crops. The National Wildlife Research Center (NWRC) of the United States Department of Agriculture estimated there were more than two thousand rose-ringed parakeets on Kauai as of 2011 and concluded that these birds are probably dispersing invasive plant species, including lilikoi and strawberry and yellow guava; possibly destroying native seeds, including koa; and potentially competing with native birds for fruits, seeds, and nesting sites. Additionally, the parakeets are damaging and reducing the yield of many crops, including lychee, longan, and rambutan. Your Committees find that additional research is needed for the development and preliminary implementation of an effective control plan for rose-ringed parakeets on Kauai, and suggest an appropriation of \$180,000 for the Department of Land and Natural Resources to provide assistance to and collaborate with the NWRC for the completion of the NWRC research study on Kauai.

Your Committees have amended this measure by:

- (1) Inserting an effective date of March 15, 2099, 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 Water and Land and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 655, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 655, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 5. Noes, none. Excused, none.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1050 Economic Development, Tourism, and Technology on H.B. No. 521

The purpose and intent of this measure is to stimulate and diversify Hawaii's economy by establishing and funding the High-Growth Grant Program and Special Fund to provide grants to qualified businesses to expand business operations, improve business productivity, and invest in food safety or quality control programs.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Chamber of Commerce Hawaii; Hawaii Farm Bureau; Maui Gold Pineapple Company; ILWU Local 142; and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that diversifying the State's economy beyond service-related industries is critical to Hawaii's future. The High-Growth Grant Program will provide grants to business that, for example, export products to expand their operations, improve productivity, and invest in food safety or quality control programs, thereby improving the ability of these local businesses to compete globally.

Your Committee has amended this measure by:

- (1) Reducing the maximum amount of each grant that may be provided through the program to twenty percent, rather than forty percent, of the amount that is privately invested in a business; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 521, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 521, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1051 (Majority) Economic Development, Tourism, and Technology on H.B. No. 627

The purpose and intent of this measure is to authorize and appropriate funds for the establishment of a permanent state public-private partnership coordinator position 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 Chamber of Commerce Hawaii. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that public-private partnerships are an effective strategy for economic development. Hawaii has started successfully implementing public-private partnerships for several industries, including tourism, film, agriculture, energy, broadband, and innovation. Your Committee further finds that creating a permanent state public-private partnership coordinator position to manage public-private partnerships entered into by the State will help support economic development in Hawaii.

Your Committee has also heard the concerns that one permanent position may not be sufficient to manage contracts, proposals, and negotiations related to public-private partnerships entered into by the State. Your Committee notes that S.B. No. 1306, S.D. 1, a substantially similar measure, creates an Office of Public-Private Partnership within the Department of Business, Economic Development, and Tourism. Your Committee concludes that language from S.B. No. 1306, S.D. 1, should be added to this measure to help establish the resources and employees necessary.

Your Committee has amended this measure by:

- (1) Organizing its contents into different parts and making the authorization to establish a permanent state public-private partnership coordinator position part I;
- (2) Inserting the contents of S.B. No. 1306, S.D. 1, as part II, which:
 - (A) Establishes an Office of Public-Private Partnership within the Department of Business, Economic Development, and Tourism;
 - (B) Requires that the office create a strategic plan;
 - (C) Requires that the office create collaboration amongst state agencies to identify and implement public-private projects; and
 - (D) Requires that the office oversee and implement public-private projects;
- (3) Adding language to part II that the Office of Public-Private Partnership shall initiate Aloha Stadium redevelopment as its initial project;
- (4) Inserting an appropriation amount of \$10,000,000 and allowing the appropriated funds to also be used for the establishment and operation of the Office of Public-Private Partnership and initiation of Aloha Stadium redevelopment; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 627, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 627, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Taniguchi). Excused, 1 (Baker).

SCRep. 1052 Economic Development, Tourism, and Technology on H.B. No. 973

The purpose and intent of this measure is to support technology based research and development in the State by establishing a research and technology grant program within the High Technology Development Corporation.

Your Committee received testimony in support of this measure from the High Technology Development Corporation; Chamber of Commerce Hawaii; Hawaii Farm Bureau; Navatek; Makai Ocean Engineering, Inc.; and six individuals. Your Committee received comments on this measure from the State of Hawaii Procurement Office.

Your Committee finds that innovation in the areas of science, technology, engineering, and mathematics is the key for Hawaii to strengthen its global competitiveness across all business, education, and social sectors of the world we live in. Your Committee further finds that a research and technology grant program will stimulate innovation in the State and the growth of jobs in science, technology, engineering, and mathematics and will also help sustain the resiliency of Hawaii's economy.

Your Committee has amended this measure by:

- (1) Changing the grant amount from fifty percent to twenty-five percent of costs incurred;
- (2) Clarifying that monies used to pay for the cost of administering, operating, and marketing the grant program, as determined by the Chief Executive Officer of the Corporation, shall be made in accordance with chapters 103D and 103F, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 973, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 973, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1053 Economic Development, Tourism, and Technology on H.B. No. 587

The purpose and intent of this measure is to recognize the importance of the Small Business Regulatory Review Board to small businesses and Hawaii's economy by appropriating funds to provide more resources to the Board.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Farm Bureau; Hawaii Business League; and one individual.

Your Committee finds that the Small Business Regulatory Review Board serves an important function in state government by providing small business input into the rulemaking process. The Small Business Regulatory Review Board reviews, analyzes, and holds conferences regarding existing, new, and modified administrative rules. Your Committee finds that the work of the Small Business Regulatory Review Board is vital to the economy and to small businesses of Hawaii.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 587, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1054 Economic Development, Tourism, and Technology on H.B. No. 1481

The purpose and intent of this measure is to establish a working group to study the uses of and determine best practices regarding blockchain technology.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; County of Hawaii; and one individual.

Your Committee finds that blockchain is a novel peer to peer networking and distributed data storage technology that shifts the primary locus of control from centralized services to individuals or key holders. Initially built as the underlying structure for a digital cash system known as bitcoin, blockchain can be used in many other areas, including cybersecurity, disaster recovery, clearance and settlement, supply chain transparency, title registries, communications, and document verification. Your Committee further finds that there is vast potential for this technology to drastically change and improve public sector operations and private industry capabilities.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1481, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1055 Economic Development, Tourism, and Technology on H.B. No. 1559

The purpose and intent of this measure is to appropriate funds for the Department of Business, Economic Development, and Tourism to address the Food and Drug Administration's industry guidance on the use of color additives in sea salt products.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Chamber of Commerce Hawaii; and one individual.

Your Committee finds that the Department of Business, Economic Development, and Tourism will need professional and knowledgeable assistance to address the complex issue of the Food and Drug Administration's industry guidelines pertaining to color additives in sea salt products. Your Committee finds that Hawaiian sea salts are very popular in Hawaii and around the world. Your Committee further finds that local companies selling Hawaiian sea salts need support to address the federal guidelines to be able to continue selling their products locally and abroad.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation shall be used to provide guidance and support specifically for locally produced or cultivated sea salt products; and
- (2) Making 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, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1559, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1559, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1056 (Joint) Education and International Affairs and the Arts on H.B. No. 547

The purpose and intent of this measure is to establish an income tax credit for host families of foreign exchange students, fellows, and interns.

Your Committees received testimony in support of this measure from the International Hospitality Center and fifteen individuals. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that foreign exchange study programs in Hawaii provide significant benefits to program participants and to the State as a whole. Your Committees further find that, although volunteer host families incur significant expenses while hosting an exchange student, fellow, or intern, they receive no compensation. The tax credit established by this measure will alleviate some of the financial burden experienced by host families and make participation in foreign exchange programs as a host economically feasible for more families in Hawaii.

Your Committees have amended this measure by:

- (1) Removing language specifying how the tax credit may be claimed by partnerships and other entities;
- (2) Changing the minimum requirement that a taxpayer act as a host to a foreign individual from thirty days to one month;
- (3) Changing the earliest taxable year to which the tax credit may be applied from taxable years beginning after December 31, 2016, to taxable years beginning after December 31, 2017; 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 International Affairs and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 547, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 547, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Education: Ayes, 4. Noes, none. Excused, 1 (Kahele).
International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1057 (Joint) Education and Housing on H.B. No. 884

The purpose and intent of this measure is to exempt affordable housing units, additions to existing dwelling units, accessory dwelling units, and ohana dwelling units from school impact fee requirements

Your Committees received testimony in support of this measure from the Office of Planning, Hawaii Public Housing Authority, Department of Planning and Permitting of the City and County of Honolulu, EAH Housing, Hawaii Construction Alliance, and Pacific Resource Partnership. Your Committees received testimony in opposition to this measure from the Department of Education, Land Use Research Foundation of Hawaii, Chamber of Commerce Hawaii, IMUAlliance, Building Industry Association of Hawaii, and one individual. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committees find that a shortage of affordable housing exists in Hawaii. School impact fees can significantly raise the cost of new housing development projects. Your Committees further find that the increased cost of development is particularly prohibitive for affordable housing projects.

Your Committees have amended this measure by:

- (1) Exempting affordable housing projects and properties developed by the Hawaii Public Housing Authority from school impact fee requirements; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 884, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 884, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
 Education: Ayes, 5. Noes, none. Excused, none.
 Housing: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 1058 Education on H.B. No. 498

The purpose and intent of this measure is to:

- (1) Broaden the scope of the State's early learning program to include early childhood development;
- (2) Expand the function of the Early Learning Advisory Board beyond an advisory capacity and amend the composition of the Board and the powers of some board members; and
- (3) Allow the Board to appoint and evaluate the Director of the Executive Office on Early Learning.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, State Public Charter School Commission, Kamehameha Schools, Native Hawaiian Educational Council, Hawaii Children's Action Network, and one individual.

Your Committee finds that a broad and consistent approach to early childhood development promotes the health and wellbeing of children, equips them to be engaged and active learners throughout their education, and benefits them throughout their lives. Your Committee further finds that the need for high-quality early childhood development programs is especially acute for children whose families face financial hardships. This measure will empower the Early Learning Advisory Board to take a more active role in directing consistent early childhood development policy and expand the public pre-kindergarten program to benefit children at risk of financial hardship.

Your Committee has amended this measure by:

- (1) Removing language prioritizing public pre-kindergarten placement in specific schools for children whose family income is at or below two hundred fifty percent of the federal poverty level;
- (2) Adding language prioritizing children whose family income is at or below two hundred fifty percent of the federal poverty level for participation in the preschool open doors program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 498, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 498, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
 Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 1059 Education on H.B. No. 500

The purpose and intent of this measure is to:

- (1) Authorize the Executive Office on Early Learning and State Public Charter School Commission to enter a memorandum of understanding to administer the charter school prekindergarten classrooms; and
- (2) Appropriate monies to continue the support for eighteen charter school prekindergarten classrooms beginning with the 2018-2019 school year.

Your Committee received testimony in support of this measure from the Executive Office on Early Learning, Office of Hawaiian Affairs, State Public Charter School Commission, Early Learning Advisory Board, Kualapu'u Public Conversion Charter School, Hawaii State Teachers Association, Hawaii Public Charter School Network, Kamehameha Schools, Hawaii Children's Action Network, Americans for Democratic Action Hawaii, Native Hawaiian Education Council, and four individuals.

Your Committee finds that the State has made significant progress in developing a high-quality public prekindergarten program in Hawaii. Your Committee further finds that continuation and expansion of the prekindergarten program will benefit young learners and increase the likelihood of their success in school and in the larger community. This measure will facilitate efficient management and expansion of the public prekindergarten program.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 500, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 1060 Education on H.B. No. 880

The purpose and intent of this measure is to:

- (1) Establish a service mark licensing agreement program within the Department of Education; and
- (2) Authorize the Department of Education to register service marks for department programs and individual schools and enter into licensing agreements for the use of those marks.

Your Committee received testimony in support of this measure from the Department of Education and one individual.

Your Committee finds that sponsorships and partnerships between department schools and private entities can provide valuable resources and benefits for a broad range of educational activities, such as scholarships, field trips, sports teams, and clubs. The ability to register and license service marks and trademarks, and to engage in other commercial activities, will give department schools the power to pursue sponsorship opportunities that support the educational mission of the school and the Department. Your Committee further finds that a licensing agreement program will provide department programs and schools a means of controlling the use of their service marks and trademarks by third parties.

Your Committee notes that, as it is the intent of this measure to encompass service marks and trademarks, the use of the term “mark” would more appropriately reflect that intent.

Accordingly, your Committee has amended this measure by:

- (1) Adding a definition of “mark” that includes all trademarks and service marks eligible for registration, whether registered or not;
- (2) Changing the term “service mark” to “mark” in all instances; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 880, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 880, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 1061 Education on H.B. No. 930

The purpose and intent of this measure is to:

- (1) Create an Erin’s Law task force to review policies, programs, and curricula for educating public school students about sexual abuse and sex trafficking prevention, and report recommendations for the establishment of a program to educate public school students on sexual abuse prevention through age appropriate curricula; and
- (2) Appropriate monies to fund the Erin’s Law task force.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Hawaii State Teachers Association, Sex Abuse Treatment Center, Hawaii Youth Services Network, IMUAlliance, Hawaii Alliance of Boys and Girls Clubs, Planned Parenthood Votes Northwest and Hawaii, Parents and Children Together, UNITE, and six individuals. Your Committee received comments on this measure from the Department of Education and Department of Human Services.

Your Committee finds that sexual violence is a serious and ongoing threat to the safety, health, and well-being of children and young people in Hawaii. Your Committee further finds that nationally, one in six women and one in thirty-three men have been the victim of sexual assault in their lifetimes, with forty-four percent being under the age of eighteen at the time of the assault. Your Committee additionally finds that the national statistics are consistent with those in Hawaii. Your Committee also finds that, although programs and Department of Education-approved curricula currently exist in the State to provide training to school teachers and staff and sexual abuse prevention education to students, implementation is not consistent statewide and resources for the provision of training and education are limited. This measure will facilitate the development of strategies to better protect Hawaii’s children and young people from sexual violence and provide resources to implement those strategies throughout the State.

Your Committee notes that some testifiers in support of this measure, including the Hawaii State Teachers Association, IMUAlliance, and Hawaii Alliance of Boys and Girls Clubs have suggested that additional members be added to the task force whose perspective and expertise would be valuable to the task force.

Accordingly, your Committee has amended this measure by:

- (1) Adding a public school teacher, sex trafficking victim service provider, and community based non-profit after school provider as members of 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 930, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 930, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 1062 Education on H.B. No. 937

The purpose and intent of this measure is to make an appropriation for the Executive Office on Early Learning to enter into contracts with third-party providers for family-child interaction learning organizations.

Your Committee received testimony in support of this measure from the State Public Charter School Commission, Executive Office on Early Learning, Kamehameha Schools, Chamber of Commerce Hawaii, Hui for Excellence in Education, Parents and Children Together, and thirty-six individuals.

Your Committee finds that the family is a child's first teacher, and engaging families contributes to healthy brain development, positive learning experiences, and children being ready for school. Your Committee further finds that the first five years of a child's life are especially important in providing a foundation for future growth and development. Your Committee additionally finds that access to programs at an early age will help early identification of developmental, social-emotional, and early learning issues. This measure will empower the Executive Office on Early Learning to more effectively work with the families of Hawaii's young children to provide high quality early learning programs.

Your Committee has amended this measure by:

- (1) Clarifying that the Executive Office on Early Learning may enter into contracts directly with third-party providers of family-child interaction learning programs rather than contracting with organizations to develop and implement such programs; and
- (2) Removing language requiring the programs be part of a mixed-delivery early childhood system.

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. 937, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 937, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 1063 Education on H.B. No. 492

The purpose and intent of this measure is to appropriate monies for two specialist II positions within the Hawaii Teacher Standards Board.

Your Committee received testimony in support of this measure from the Hawaii Teacher Standards Board, State Public Charter School Commission, Hawaii State Teachers Association, University of Hawaii at Manoa College of Education, and five individuals.

Your Committee finds that, since 2012, the Hawaii Teacher Standards Board funding is based solely on teacher licensing fees, including funding for staff and personnel positions. Your Committee further finds that, prior to 2012, monies for two specialists to support day to day licensing functions of the Board was provided by the general fund of the State. Your Committee additionally finds that licensing fees have not been sufficient to meet the financial needs of the Board, forcing the Board to reduce its staff to the minimum necessary to perform only its basic functions. This measure will support the Hawaii Teacher Standards Board in its mission to maintain licensing standards and perform licensure testing by restoring general fund monies for the Board's specialist staff positions.

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. 492, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 1064 Education on H.B. No. 533

The purpose and intent of this measure is to provide funding to the State Public Charter School Commission for the acquisition, repair, maintenance, and rental of charter school facilities.

Your Committee received testimony in support of this measure from the State Public Charter School Commission; Office of Hawaiian Affairs; Hawaii State Teachers Association; Kamehameha Schools; National Alliance for Public Charter Schools; Hawaii Public Charter School Network; Hawaii Children's Action Network; IMU Alliance; Hawaii Island School Garden Network; Ka'Umeke Ka'eo Public Charter School; Goodwill Hawaii; The Maritime Group, LLC; and sixteen individuals.

Your Committee finds that facilities funding is a long standing and persistent problem for charter schools in Hawaii. Your Committee further finds that, while start-up charter schools have paid the costs of their facilities from operational funds, Act 234, Session Laws of Hawaii 2015, authorized a framework for providing facilities funding and support for public charter school facilities with adequate prioritization, oversight, and accountability. Your Committee additionally finds that, while public charter schools may request facilities funding as part of its annual budget request, the amounts received in recent fiscal years have been insufficient to meet the costs of providing and maintaining high-quality facilities. Your Committee also finds that a lack of adequate facilities has a negative impact on the education of a school's students. This measure will provide monies to the State Public Charter School Commission to satisfy the unmet financial needs of public charter schools in Hawaii.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 533, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 1065 Education on H.B. No. 936

The purpose and intent of this measure is to:

- (1) Require that, for charter schools, any bonuses required by statute or collective bargaining be separate line items in the budget and not be paid out of facilities funding or per-pupil funding; and
- (2) Appropriate monies for teacher bonuses for hard-to-fill placement incentives and National Board certified teacher incentives for charter school teachers.

Your Committee received testimony in support of this measure from the Hawaii Teacher Standards Board, State Public Charter School Commission, Office of Hawaiian Affairs, Hawaii State Teachers Association, Hawaii Public Charter School Network, Kamehameha Schools, Native Hawaiian Education Council, and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that public charter schools rely on the dedication of their administrators, staff, and teachers to create an environment of educational excellence for students in Hawaii. Like their counterparts at Department of Education schools, teachers at public charter schools who have earned National Board certification or who teach at schools determined to be hard-to-fill are entitled to incentive bonuses. Your Committee further finds that, while the Department of Education has established a dedicated fund for incentive bonuses, public charter schools must pay these bonuses out of per-pupil funds. Your Committee additionally finds that incentive bonuses are not calculated into the monies provided for per-pupil funds, resulting in significant strain to the budgets of public charter schools. Requiring that bonuses be a line item in the state budget will help alleviate this fiscal strain on charter schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 1066 Education on H.B. No. 1231

The purpose and intent of this measure is to:

- (1) Specify instances in which the Department of Education may retain federal reimbursements for disaster relief; and
- (2) Clarify that the Department of Education may carry over funds received as a disaster relief appropriation or reimbursement.

Your Committee received testimony in support of this measure from the Department of Education. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that expenditures for disaster and emergency relief made by state agencies, including the Department of Education, are eligible for federal reimbursements. Your Committee further finds that, in the event that reimbursement is delayed and the original appropriation has lapsed, the reimbursement will go to the state treasury. This measure will ensure that the Department of Education can retain and use federal reimbursements for their original intended purpose in the event of a disaster.

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. 1231, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Espero).

SCRep. 1067 Commerce, Consumer Protection, and Health on H.B. No. 1028

The purpose and intent of this measure is to:

- (1) Clarify the Attorney General's regulatory authority over charitable organizations and charitable assets;
- (2) Establish procedures for deactivations of registrations for charities no longer operating in Hawaii;
- (3) Clarify requirements for financial reports for solicitation campaigns and charitable organizations' annual reports; and
- (4) Make housekeeping amendments related to exemptions from registration and reporting requirements.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Association of Fundraising Professionals – Aloha Chapter, and Hawai'i Alliance of Nonprofit Corporations.

Your Committee finds that this measure makes several amendments to the State's law governing charitable organizations and activities, including: adding a definition of "property", as that term relates to the protection of charitable assets; specifying procedures for deactivations of registration for charitable organizations; and clarifying requirements and procedures for the filing of financial and annual reports. This measure also assists the Department of the Attorney General in its oversight of charitable organizations and fundraising activities and clarifies regulatory procedures for the nonprofit sector.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1028, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1028, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1068 (Joint) Agriculture and Environment and Government Operations on H.B. No. 523

The purpose and intent of this measure is to require each state agency to reasonably provide and maintain onsite methods at its buildings and facilities for the collection of recyclable materials, including paper, plastics, and deposit beverage containers, and appropriate funds for that purpose.

Your Committees received testimony in support of this measure from the American Chemistry Council, Animal Rights Hawai'i, Sierra Club of Hawai'i, and three individuals. Your Committees received comments on this measure from the Department of Accounting and General Services and Hawaii Public Housing Authority.

Your Committees find that increased access to recycling helps to prevent litter and reduce waste in landfills, oceans, and waterways. This measure increases access to recycling by requiring recycling collection at all state buildings and facilities and requiring the collection receptacles to be located near solid waste disposal receptacles.

Your Committees have heard the testimony of the Department of Accounting and General Services (DAGS) regarding the potential high costs of implementing this measure at all state buildings and facilities.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the provision and maintenance of onsite methods for the collection of recyclable materials only at buildings and facilities managed, maintained, or serviced by DAGS; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees request that DAGS provide your Committee on Ways and Means with estimates as to the actual cost of providing for the collection of recyclable materials, including paper, plastics, and deposit beverage containers, for recycling at its facilities, as well as suggestions of methods or technologies the State may utilize to reduce recycling costs.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 523, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 523, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1069 Government Operations on H.B. No. 165

The purpose and intent of this measure is to:

- (1) Establish a working group to develop board packet disclosure requirements that meet the public's interest of greater disclosure of board meetings;
- (2) Require the working group, with the assistance of the Legislative Reference Bureau, to report its findings and recommendation to the Legislature no later than twenty days prior to the convening of the regular session of 2018;
- (3) Establish notice and disclosure requirements for emergency meetings;
- (4) Clarify notice filing requirements and allow electronic mailing of meeting notices; and
- (5) Require electronic posting of meeting notices, cancellation notices, and meeting minutes.

Your Committee received testimony in support of this measure from the Office of Information Practices, Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division, Society of Professional Journalists Hawaii Chapter, and Civil Beat Law Center for the Public Interest. Your Committee received comments on this measure from the Department of Land and Natural Resources, Hawaii Community Development Authority, Disability and Communication Access Board, Legislative Reference Bureau, League of Women Voters, and Common Cause Hawaii.

Your Committee finds that the people of Hawaii are best served by increased government transparency, understanding, and participation. Your Committee finds that modernizing the Sunshine Law to include electronic posting of meeting notices and minutes will increase public access to valuable information regarding public agency meetings. Your Committee notes that allowing notices to be electronically mailed provides for the best use of government time and resources.

Your Committee finds that establishing a working group to develop board packet disclosure requirements is unnecessary. Your Committee further finds that increasing access to board materials via the accessibility of board packets will allow for more meaningful public testimony at meetings, and further increase the quality of public participation in civic life. Your Committee notes that this has been a long-standing and much-discussed issue, and your Committee heard sufficient testimony to establish a requirement and process in this measure by which board packets shall be made available for public inspection.

Accordingly, your Committee has amended this measure by:

- (1) Removing the establishment of the working group;
- (2) Inserting a requirement that board packets be available for public inspection, including electronically available if feasible;
- (3) Requiring that oral testimony at open meetings be allowed for each agenda item separately and at the time the item is first brought up for discussion at the meeting;
- (4) Requiring a written summary to accompany any minutes that are electronically posted in a digital or analog recording format;
- (5) Making the entire measure effective on July 1, 2050; 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 165, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 165, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1070 Government Operations on H.B. No. 308

The purpose and intent of this measure is to allow board members to provide government records that are open to public inspection to other board members under certain conditions.

Your Committee received testimony in support of this measure from the Hawai'i State Association of Counties, Civil Beat Law Center for the Public Interest, and two individuals. Your Committee received testimony in opposition to this measure from the League of Women Voters. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee supports efforts to increase government transparency and efficiency. Your Committee finds that under this measure, the distribution of the government records is limited to documents open to public inspection. Your Committee further notes that the greatest need for this measure appears to be to increase the efficiency and transparency of the county councils.

Your Committee has amended this measure by:

- (1) Limiting the circumstances and criteria under which county council members may share government records;
- (2) Restricting the types of government records that may be transmitted to records created by a person other than an officer or employee of the county council;
- (3) Clarifying the conditions under which the government records may be transmitted and what the transmittal may contain;
- (4) Requiring the government records to be accessible to the public no less than twenty-four hours before a council meeting and electronically mailed upon request;
- (5) Including a repeal date of June 30, 2019; 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 308, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 308, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1071 (Joint) Government Operations and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1534

The purpose and intent of this measure is to remove the one-year residency requirement for all appointed officers who are department heads and deputies or assistants to a department head.

Your Committees received testimony in support of this measure from the Honolulu Police Commission. Your Committees received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers and two individuals.

Your Committees find that employing the best qualified individuals at all levels of state government serves the public interest. Your Committees note that certain positions require specialized skills, training, and leadership abilities, and that it can be advantageous to expand the available pool of eligible candidates for those difficult to fill positions. Your Committees find that removing the one-year residency barrier for employment of county police department heads is beneficial for the health, safety, and welfare of the public.

Your Committees have amended this measure by:

- (1) Reinserting the one-year residency requirement for all appointed officers who are department heads and deputies or assistants to a department head;
- (2) Inserting language allowing the one-year residency requirement to be waived for appointed officers who are employed as the head of a county police department; 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 Government Operations 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. 1534, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1534, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1072 (Joint) Hawaiian Affairs and Water and Land on H.B. No. 121

The purpose and intent of this measure is to:

- (1) Establish the Papahānaumokuākea Marine National Monument program to coordinate and fulfill the State's role and responsibilities in co-managing the Papahānaumokuākea Marine National Monument; and
- (2) Statutorily establish a goal to effectively manage thirty percent of nearshore waters by 2030.

Your Committees received testimony in support of this measure from the Conservation Council for Hawai'i and five individuals. Your Committees received testimony in opposition to this measure from three individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources and Office of Planning.

Your Committees find that President Barack Obama issued Presidential Proclamation 9478 on August 26, 2016, to expand the Papahānaumokuākea Marine National Monument to provide critical protections for more than seven thousand marine species, including whales and sea turtles listed under the Endangered Species Act and the longest-living marine species in the world, black coral, which live longer than four thousand five hundred years. The expanded Papahānaumokuākea Marine National Monument will improve ocean resilience, help the region's distinct physical and biological resources adapt, and create a natural laboratory that will allow scientists to monitor and explore the impacts of climate change on these fragile ecosystems.

Your Committees find that the Department of Land and Natural Resources has served as the lead agency of the State to co-manage the Papahānaumokuākea Marine National Monument. In this role, the Department has exercised its stewardship responsibility for managing, administering, and exercising control over lands, waters, and natural resources within the State's jurisdiction. Your Committees further find that in January 2017, an updated Memorandum of Agreement for the Papahānaumokuākea Marine National Monument was executed and added the Office of Hawaiian Affairs as a second state co-trustee for the monument. In its capacity as a co-trustee of the monument, the Office of Hawaiian Affairs is better situated to incorporate native Hawaiian cultural resources management into management of the monument and protect the customary and traditional rights and practices of native Hawaiians exercised for subsistence, cultural, and religious purposes under section 7 of article XII of the state constitution.

Your Committees have amended this measure by:

- (1) Deleting language that required certain agencies to establish a goal of effectively managing thirty percent of the nearshore waters by 2030;
- (2) Inserting references to the designation of the Office of Hawaiian Affairs as a co-trustee of the monument, pursuant to an agreement with the State and two departments of the federal government;
- (3) Inserting language to allow the Department of Land and Natural Resources to take other actions as necessary to effectively manage natural and cultural resources of the monument;
- (4) Adding an appropriation to the Department of Land and Natural Resources for the purposes of this measure; 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 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. 121, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 121, H.D. 3, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (English, Kim).

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1073 (Majority) Judiciary and Labor on H.B. No. 213

The purpose and intent of this measure is to:

- (1) Allow an employee to use family leave to care for the employee's sibling with a serious health condition or upon the death of the employee's child, spouse, reciprocal beneficiary, sibling, or parent; and
- (2) Specify certification requirements for when family leave is taken for the death of the employee's child, spouse, reciprocal beneficiary, sibling, or parent.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; ILWU Local 142; LGBT Caucus of the Democratic Party of Hawaii; United Public Workers, AFSCME, Local 646, AFL CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association, Hawaii Restaurant Association, Retail Merchants of Hawaii, Maui Chamber of Commerce, Society for Human Resource Management–Hawaii Chapter, Il Gelato Hawaii, and one individual. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Policy Advisory Board for Elder Affairs, and Hawaii Children's Action Network.

Your Committee finds that employees are currently entitled to four weeks of family leave during the calendar year upon the birth or adoption of an employee's child or to care for the employee's child, spouse, reciprocal beneficiary, or parent with a serious health condition. Your Committee also finds that employees may need to be absent from work in order to care for a sibling with a serious health condition or upon the death of an employee's child, spouse, reciprocal beneficiary, sibling, or parent.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 H.B. No. 213, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 213, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1074 Judiciary and Labor on H.B. No. 1402

The purpose and intent of this measure is to establish a shared leave program within the Department of Human Resources Development to allow state employees to donate accumulated sick leave and vacation leave credits to a shared leave bank or directly to another state employee who has a serious personal illness or injury or who has a family member who has a serious personal illness or injury.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; 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 one individual.

Your Committee finds that numerous state departments implement shared leave programs within their respective departments, but state employees cannot currently share leave between departments. Your Committee finds that state employees suffering from a serious illness or injury may deplete their paid leave allowance and often depend on shared leave to prevent economic hardship during recovery; therefore, a shared leave program across state departments may benefit many state employees.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with the provisions of S.B. No. 207, S.D. 2, Regular Session of 2017, which establishes shared leave programs for public employees by:
 - (A) Requiring the Judiciary, Legislature, and Executive Branch to each establish a shared leave program for state employees;
 - (B) Precluding a state government branch from prohibiting leave sharing between different departments or bargaining units because of administrative infeasibility;
 - (C) Allowing the chief executive of a county to establish a shared leave program for county employees; and
 - (D) Allowing an employee's designation of beneficiary form to be filed with the department where the employee is employed and permits the designation to be made through a statement that is not verified or written, thereby including an electronically maintained statement;
- (2) Inserting an effective date of January 7, 2059, 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. 1402, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1402, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1075 Judiciary and Labor on H.B. No. 279

The purpose and intent of this measure is to:

- (1) Distinguish between expenditures or disbursements for electioneering communications or any other coordinated activity in cooperation, consultation, in concert with, or at the request or suggest of a candidate, candidate committee, of their agents and the financing of the dissemination, distribution, and republication of a candidate's campaign material, by separating these two provisions into separate subsections under section 11-363, Hawaii Revised Statutes; and
- (2) Specify instances where the financing of the dissemination, distribution, or republication of a candidate's campaign material is not a contribution to that candidate.

Your Committee received testimony in support of this measure from the Campaign Spending Commission.

Your Committee finds that by separating the provisions relating to the expenditures or disbursements for electioneering communications or any other coordinated activity and the financing of the dissemination, distribution, and republication of a candidate's campaign material, this measure clarifies the types of activities or instances that would result in a contribution to and an

expenditure by a candidate or a contribution to that candidate, respectively. These activities or instances would be required to be reported accordingly.

Your Committee has amended this measure by clarifying that the incorporation of material into an advertisement or electioneering communication is not a contribution to the candidate if the material was incorporated by a different candidate, or by a noncandidate committee, advocating the defeat of the candidate that originally prepared the material.

As affirmed by the record of votes of the members 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. 279, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 279, 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. 1076 (Joint) Commerce, Consumer Protection, and Health and Agriculture and Environment on H.B. No. 1244

The purpose and intent of this measure is to:

- (1) Amend the cesspool upgrade, conversion, or connection income tax credit to: make the tax credit assignable; make the tax credit refundable; expand the criteria for cesspools that qualify for the tax credit; and extend the sunset date to December 31, 2022;
- (2) Require all cesspools in the State to be upgraded or converted to septic or aerobic treatment unit systems or connected to sewer systems by January 1, 2050;
- (3) Establish a grant program to assist with cesspool upgrade, conversion, or connection costs; and
- (4) Appropriate funds for the grant program.

Your Committees received testimony in support of this measure from the Department of Health, Sierra Club of Hawai'i, Nature Conservancy of Hawai'i, and nine individuals. Your Committees received testimony in opposition to this measure from the Office of the Mayor of the County of Hawai'i. Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Hawai'i Association of REALTORS.

Your Committees find that cesspools are a major source of pollution to Hawaii's waters. According to testimony from the Department of Health, there are approximately 90,000 cesspools in the State, which discharge approximately 55,000,000 gallons of untreated sewage into the groundwater every day. Groundwater flows into drinking water sources, streams, and the ocean, harming public health and the environment, including beaches and coral reefs. Although your Committees understand that there are significant costs associated with cesspool conversion, phasing out cesspools will eliminate threats to drinking water and recreational waters. Among other things, this measure expands the cesspool upgrade, conversion, or connection income tax credit, including making the tax credit assignable, and establishes a grant program to help facilitate the phasing out of cesspools.

Your Committees have heard the concerns raised by the Department of Taxation in testimony, regarding the assignment of the cesspool upgrade, conversion, or connection income tax credit. Your Committees also recognize that in certain areas of the State, upgrading a sewage system is impossible or extremely costly. Your Committees heard testimony from the Department of Health indicating that a variance mechanism exists allowing the public to apply to the Department for an exemption under such circumstances. Your Committees understand these concerns and conclude that amendments to this measure are necessary.

Your Committees have amended this measure by:

- (1) Deleting language that would have made the cesspool upgrade, conversion, or connection income tax credit assignable;
- (2) Authorizing the Director of Health to grant exemptions to the requirement to upgrade, convert, or connect a cesspool by January 1, 2050, if a property owner applies for the exemption and presents documentation showing a legitimate reason that makes the upgrade, conversion, or connection infeasible;
- (3) Clarifying that the amendments to the cesspool upgrade, conversion, or connection income tax credit shall apply to taxable years beginning after December 31, 2017;
- (4) Making it effective on July 1, 2017; 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, Consumer Protection, and Health and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1244, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1244, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6; Ayes with Reservations (Ruderman). Noes, none. Excused, 1 (Chang).

Agriculture and Environment: Ayes, 5; Ayes with Reservations (Ruderman). Noes, none. Excused, none.

SCRep. 1077 Human Services on H.B. No. 801

The purpose and intent of this measure is to:

- (1) Require certain amounts of child support monies collected by the Department of Human Services for public assistance of a child to pass through to the family receiving the public assistance; and

- (2) Require the Department to disregard certain amounts that are passed through child support payments when determining the needs of an applicant for or recipient of public assistance.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Human Services and Department of the Attorney General.

Your Committee finds that the Child Support Enforcement Agency (CSEA) is tasked with collecting the debt owed to the Department of Human Services when Temporary Assistance for Needy Families (TANF) benefits are paid for the benefit of any dependent child. Because TANF is a federally funded program, the federal share of the collection is paid back to the federal government. Furthermore, the federal share is maintained in a separate account and available for use by the CSEA as the federal matching funds when state funds are expended. Your Committee further finds that in fiscal year 2016, the Department of Human Services received \$4,996,455 from the CSEA.

Your Committee notes the concerns raised by the Department of the Attorney General that identify the costs that CSEA would incur to implement this measure, as these costs have not been budgeted for. These costs include a redesign of CSEA's statewide computer system and amendments to CSEA's reports to the federal government and Department of Human Services to accommodate the pass through payments.

Because of these concerns, your Committee has amended this measure by:

- (1) Inserting language that appropriates \$400,000 to cover any costs incurred by the CSEA; and
- (2) Making 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. 801, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 801, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1078 Human Services on H.B. No. 1099

The purpose and intent of this measure is to bring the State into compliance with the federal Justice for Victims of Trafficking Act of 2015 (Public Law 114-22) and the federal Child Abuse Prevention and Treatment Act of 2010 (Public Law 111-320) by, among other things:

- (1) Amending the definition of "child abuse or neglect" to include sex trafficking;
- (2) Clarifying that child abuse and neglect reports that are expunged from the State's central registry may be retained by the Department of Human Services for future risk and safety assessment purposes; and
- (3) Deleting the child abuse investigation disposition of "unsubstantiated" and replacing it with "not confirmed".

Your Committee received testimony in support of this measure from the Department of Human Services, Honolulu Police Department, IMUAlliance, Family Programs Hawaii, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Family Advocacy Team.

Your Committee finds that the reporting of child abuse by mandated reporters should be expanded to include reports on known or suspected child victims of sex trafficking to bring the State in compliance with the Justice for Victims of Trafficking Act of 2015 (Public Law 114-22). Furthermore, to comply with the Child Abuse Prevention and Treatment Act of 2010 (Public Law 111-320), it is necessary to ensure that reports of child abuse and neglect may be retained by the Department of Human Services for future risk and safety assessment purposes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of May 29, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1099, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1099, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1079 Human Services on H.B. No. 693

The purpose and intent of this measure is to appropriate funds to the Department of Human Services for the operational costs of an organization providing prevention, intervention, and group and individual counseling for high risk youth.

Your Committee received testimony in support of this measure from the Hawaii Children's Action Network, Plumbers and Fitters Local 675, Adult Friends for Youth, and ten individuals. Your Committee received comments on this measure from the Office of Youth Services and Hawaii Youth Services Network.

Your Committee finds that youth violence is a growing concern in the State, particularly violence and juvenile delinquency associated with gang membership. In addition, homicide, suicide, aggravated assaults, and traffic accidents due to underage alcohol consumption by youth represent large costs for the State. Allocating resources to a multi-pronged approach through programs that

have the expertise and experience to reach out and establish relationships with youth in school-centered and neighborhood-centered environments will help promote education, self-esteem, individual growth and development, leadership, and responsibility.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 693, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 693, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1080 Human Services on H.B. No. 674

The purpose and intent of this measure is to:

- (1) Require all child care providers subject to regulation by the Department of Human Services to obtain and maintain liability insurance as a condition of licensure, temporary permission, or registration and disclose insurance-related information to certain parents or guardians;
- (2) Authorize the Department to suspend or revoke a provider's license, temporary permit, or certificate of registration if the provider does not comply with the insurance coverage and disclosure requirements; and
- (3) Prohibit the enforcement of the liability insurance requirements for child care providers by the Department until January 1, 2018.

Your Committee received testimony in support of this measure from the Hawaii Children's Action Network and fifty-two individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that because many parents must work full time, child care is a necessity for many local families. Through the Department of Human Services, the State regulates and inspects these child care facilities to ensure that all children are safe and healthy. Requiring all licensed or registered child care providers to obtain and maintain liability insurance coverage may provide greater assurance to families who utilize child care services and allow opportunities for legal recourse for parents whose children are not properly cared for.

Your Committee has amended this measure by:

- (1) Delaying the compliance date of liability insurance requirements for child care providers to January 1, 2019; and
- (2) Making 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. 674, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 674, H.D. 2, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1081 Human Services on H.B. No. 199

The purpose and intent of this measure is to include physical isolation as a form of abuse, allegations of which the Department of Human Services is authorized to investigate and instances for which the Department may take corrective action, including obtaining judicial relief.

Your Committee received testimony in support of this measure from the Honolulu Police Department, State Council on Developmental Disabilities, and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that unnecessarily denying a person the ability to communicate and interact with others has damaging effects on the well-being of an individual. Oftentimes, physical isolation is used to conceal abuse or to prevent vulnerable adults access to critical support services. While state laws and various agencies and services protect vulnerable adults, adding physical isolation as a form of abuse and neglect that the Department of Human Services can investigate will further protect these dependent adults and ensure their protection against such acts.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 199, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 199, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1082 (Majority) Human Services on H.B. No. 83

The purpose and intent of this measure is to:

- (1) Allow the Department of Human Services to establish puuhonua safe zones where homeless persons may reside; and

- (2) Appropriate funds for establishing puuhonua safe zones.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i, League of Women Voters of Hawaii, and two individuals. Your Committee received testimony in opposition to this measure from The Institute for Human Services and one individual. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness, Department of Human Services, and Department of Land and Natural Resources.

Your Committee finds that due to economic constraints, the supply of subsidized housing is, and will continue to be, woefully insufficient for the foreseeable future. Consequently, illegal homeless camps, which are a public health menace, are ubiquitous. The State must therefore explore the establishment of alternative housing options that will ensure that homeless individuals are housed and receive much needed support services.

Your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Requires the Hawaii Interagency Council on Homelessness, in conjunction with and the advisement of the Department of Human Services and Department of Land and Natural Resources, to establish a working group to examine and develop recommendations related to the establishment of safe zones for persons experiencing homelessness;
- (2) Specifies various issues that the working group shall take into consideration;
- (3) Requires the working group 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 2018; and
- (4) Appropriates funds to support the activities of the working group.

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. 83, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 83, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 2. Noes, 1 (Harimoto). Excused, 2 (Tokuda, Wakai).

SCRep. 1083 Human Services on H.B. No. 669

The purpose and intent of this measure is to streamline the reporting requirements of the Department of Human Services and the family courts by:

- (1) Requiring the Department, upon direction of the court, to provide the family court with an oral or written report regarding the safety of a minor child of the parties on or prior to the next regularly scheduled court hearing;
- (2) Providing that if the Department provides a written report, the Department need not appear at the hearing unless ordered to do so; and
- (3) Requiring the court to provide copies of all written reports to the parties.

Your Committee received testimony in support of this measure from the Judiciary and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that victims, victims' children, and perpetrators need case management and access to critical and timely services to address the multi-faceted problem of family violence. Presently, the family courts report all temporary restraining orders in instances where there are minors present in the home to the Child Welfare Services Branch of the Department of Human Services, regardless of the minors' exposure to the alleged domestic violence. Many reports do not indicate any safety concerns for minors in such cases; consequently, Child Welfare Services staff must undertake the additional burden of screening referrals, investigating cases, and submitting written reports to the court in advance of the hearings. This measure ensures timely communication of information that may be critical in addressing the needs and safety of children.

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. 669, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1084 Human Services on H.B. No. 844

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 in partnership with private organizations to establish a network of safe places that youth can access for safety and to obtain advice, guidance, programs, and services; and
- (2) Establish and appropriate funds for a coordinator position and for residential options for the pilot program.

Your Committee received testimony in support of this measure from the Judiciary, Hawaii Youth Services Network, Hawaii Women's Coalition, Community Alliance on Prisons, Planned Parenthood Votes Northwest and Hawaii, Hawaii Chapter of the Young Progressives Demanding Action, and three individuals. Your Committee received comments on this measure from the Office of Youth Services.

Your Committee finds that, nationally, it is estimated that on any given night, there are approximately 1,300,000 homeless youth living unsupervised on the streets, in abandoned buildings, with friends or with strangers. Homeless youth lack parental, foster, or institutional care and are thus prone to be at a higher risk for physical abuse, sexual exploitation, mental health disabilities, substance abuse, and death. A 2016 National Conference of State Legislatures article indicates that studies have shown that forty-six percent of runaway and homeless youth reported being physically abused, thirty-eight percent reported being emotionally abused, and seventeen percent reported being forced into unwanted sexual activity by a family or household member. Furthermore, seventy-five percent of homeless or runaway youth have dropped out or will drop out of school. Because Hawaii is not immune to the seriousness and prevalence of youth homelessness, it is critical that the State establish safe places that offer shelter, programs, and support to at-risk youth.

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. 844, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1085 Human Services on H.B. No. 92

The purpose and intent of this measure is to require and appropriate funds for an annual inflation adjustment to the methodology used to reimburse long-term care facilities for care provided to Medicaid recipients.

Your Committee received testimony in support of this measure from the Hawaii Health Systems Corporation; Oahu Region of the Hawaii Health Systems Corporation; Chamber of Commerce Hawaii; The Queen's Health Systems; Aloha Nursing Rehab Centre; One Kalakaua Senior Living; Ann Pearl Rehabilitation and Healthcare; Ohana Pacific Management Company, Inc.; Pu'uwai 'O Makaha; Hale Kupuna Heritage Home; Healthcare Association of Hawaii; Hawaii Chapter of the American Physical Therapy Association; Clarence T. C. Ching Villas at St. Francis; Garden Isle Rehabilitation and Healthcare; and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that long-term care facilities in the State face major financial challenges in providing quality health care for Hawaii residents, largely because the payments for Medicaid enrollees do not cover the actual costs of care. The Legislature did approve funding for an inflationary update to Medicaid rates for long-term care facilities in 2016, the first increase in approximately seven years. That one-time appropriation of approximately \$1,500,000 for fiscal year 2016-2017 generated an additional \$2,500,000 in federal funds. However, despite that infusion of funds, the Medicaid shortfall will likely persist as the rising costs of care continue to outpace reimbursements. This measure provides another inflationary adjustment for fiscal years 2017-2018 and 2018-2019 to help defray some of those 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. 92, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1086 Human Services on H.B. No. 615

The purpose and intent of this measure is to appropriate funds to the Executive Office on Aging for the Healthy Aging Partnership Program to further the program's vital role in improving the health and well-being of Hawaii's kupuna.

Your Committee received testimony in support of this measure from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, Maui County Office on Aging, County of Kauai Agency on Elderly Affairs, Hawaii Family Caregiver Coalition, AARP Hawaii, ILWU Local 142, and numerous individuals.

Your Committee finds that the Healthy Aging Partnership Program aims to improve the health of older adults and empower them to stay healthy, active, and socially engaged. The program serves as an important link between clinical support for patients and community resources for lifestyle change. Furthermore, the program operates two evidence-based intervention programs that have demonstrated that older adults with chronic conditions and their caretakers benefit by focusing on self-management as an integral method to avoiding long-term complications from chronic conditions. Your Committee further finds that the Healthy Aging Partnership Program is a worthwhile investment for the State, as preventing disease and disability is far less expensive than resulting health and social services for persons needing treatment.

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. 615, H.D. 1, and recommends that it pass Second Reading and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1087 (Joint) Human Services and Housing on H.B. No. 1098

The purpose and intent of this measure is to:

- (1) Provide that emergency shelters may have partitioned space for homeless persons or families based on Department of Human Services guidelines;
- (2) Delay the emergency or transitional shelter compliance requirements per Act 234, Session Laws of Hawaii 2016, for contracts between the Department and emergency or transitional shelter provider agencies for one year; and

- (3) Delay the effective date of Act 234, Session Laws of Hawaii 2016, by one year.

Your Committees received testimony in support of this measure from the Governor's Coordinator on Homelessness, Department of Human Services, Office of the Mayor of the County of Hawai'i, The Institute for Human Services, Catholic Charities Hawai'i, Hawaii Appleseed Center for Law and Economic Justice, and one individual.

Your Committees find that in an attempt to make the homeless shelter system more cost effective and more appealing to families and individuals, the Legislature enacted Act 234, Session Laws of Hawaii 2016, to establish minimum requirements for every homeless emergency shelter operated by a provider agency that is under contract with the Department of Human Services. However, there is wide variation in the configuration of homeless emergency shelters across the State. To ensure that the minimum health and safety standards adopted by the Department of Human Services provide sufficient flexibility to address these diverse needs, the Department needs additional time to meet with shelter providers and discuss the ability to bring shelter space into compliance with emergency shelter requirements.

Your Committees have amended this measure by:

- (1) Clarifying that the delay of the effective date of Act 234, Session Laws of Hawaii 2016, to July 1, 2018, does not apply to subsection (c) of section 6 of Act 234, which requires the Department of Human Services to work with provider agencies to implement Act 234 and took effect on July 1, 2016;
- (2) Inserting an effective date of July 1, 2017; 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 Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1098, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1098, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahale, Keith-Agaran).

SCRep. 1088 (Joint) Water and Land and Commerce, Consumer Protection, and Health on H.B. No. 632

The purpose and intent of this measure is to broaden the Hawaii Water Infrastructure Loan Program by:

- (1) Amending the definition of "water infrastructure charge" to include on-bill charges for loan repayments and other charges that may be imposed on water utilities; and
- (2) Including water utilities and water tanks in the Hawaii Water Infrastructure Loan Program.

Your Committees received testimony in support of this measure from the Department of Agriculture, Board of Water Supply of the City and County of Honolulu, Ulupono Initiative, and Hawai'i Farm Bureau.

Your Committees find that water is a vital state resource, and the Water Infrastructure Loan Program provides essential funding for the maintenance and upgrading of water infrastructure systems. Expansion of the program to include water utilities and water tanks will provide additional financing options for waterworks projects and help in keeping water rates affordable for water utility customers. Additionally, expanding the program to include water tanks is critical for residents who live in systems dependent on surface waters or remote residential or farm systems dependent on catchment.

Your Committees have amended this measure by:

- (1) Removing the proposed amendments to the definition of "water infrastructure charge";
- (2) Inserting an effective date of March 15, 2009, 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 Water and Land and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 632, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 632, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

SCRep. 1089 Water and Land on H.B. No. 575

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to extend commercial, hotel, resort, and industrial leases for state lands in the Banyan Drive and Kanoelehua industrial area of Hilo, Hawaii, for the lessee to make qualifying substantial improvements to the land.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association; East Hawaii Region of Hawaii Health Systems Corporation; Chamber of Commerce Hawaii; Kanoelehua Industrial Area Association; Building Industry Association; Hawaii Bankers Association; Hawaii Island REALTORS; HPM Building Supply; Mauna Kea Infrared, LLC; Big Island Toyota, Inc.; and nine individuals. Your Committee received testimony in opposition to this measure from the Department of

the Attorney General. Your Committee received comments on this measure from the Office of the Mayor of the County of Hawai'i and one individual.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of this measure and inserted provisions that:

- (1) Authorize the lessees of public land in the Banyan Drive and Kanoelehua industrial areas of Hilo, Hawaii, to relinquish a lease during the last ten years of the term of the lease, subject to certain conditions;
- (2) Allow the relinquishing lessees to bid on the new lease at public auction; and
- (3) Change the effective date to upon approval.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Government Employees Association, Chamber of Commerce Hawaii, Kanoelehua Industrial Area Association, Hawai'i Association of REALTORS, and HPM Building Supply. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of the Attorney General. Your Committee received comments on the proposed S.D. 1 from the Department of Land and Natural Resources, Office of the Mayor of the County of Hawai'i, and one individual.

Your Committee finds that the maximum lease term of sixty-five years for public lands has the unfortunate consequence of a lessee having little economic incentive to invest in the property during the last ten years of the lease term. Additionally, lessees may encounter difficulties obtaining financing for improvements to a leasehold property when the remaining lease term is insufficient to secure a mortgage on the property. Your Committee notes that the purpose behind the lease term limit is to maximize the public use and benefit of public lands. Your Committee finds that allowing lessees to relinquish a lease during the last ten years of the lease and subsequently bid for a new lease at public auction serves the public interest by maximizing public land benefits and discouraging deteriorating conditions near the end of a lease term.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Removing the limits of applicability to public land that is located in the Banyan Drive and Kanoelehua industrial areas of Hilo, Hawaii;
- (2) Clarifying that relinquishing the lease does not alter any obligation of the lessee to indemnify, defend, and hold the State harmless from certain claims regarding pollution or contamination;
- (3) Amending the definition of the term "improvements" to mean all physical improvements constructed, owned, or contributed and owned by the lessee during the lease term and excludes infrastructure constructed, owned, or constructed and owned by third parties;
- (4) Inserting an unspecified appropriation to the Department of Land and Natural Resources for costs incurred for implementation;
- (5) Inserting an effective date of March 15, 2099, 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 Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 575, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1090 (Joint) Housing and Economic Development, Tourism, and Technology on H.B. No. 660

The purpose and intent of this measure is to establish and appropriate funds to the infrastructure development loan revolving fund, to be administered by the Hawaii Housing Finance and Development Corporation, to make loans to developers to finance the costs of the infrastructure for affordable rental and fee simple housing developments.

Your Committees received testimony in support of this measure from the Chamber of Commerce Hawaii, Maui Chamber of Commerce, Building Industry Association Hawaii, and Hawaii Construction Alliance. Your Committees received testimony in opposition to this measure from the Hawaii Housing Finance and Development Corporation. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that robust, reliable infrastructure is vital to the development of affordable housing. Your Committees further find that necessary infrastructure costs are especially high in transit-oriented development areas and other areas in need of affordable housing. Your Committees additionally find that Act 132, Session Laws of Hawaii 2016, expanded the permissible uses for monies in the dwelling unit revolving fund to include infrastructure programs related to affordable housing development.

Accordingly, your Committees have amended this measure by:

- (1) Removing language that established an infrastructure development loan revolving fund, described the obligations of developers and the Hawaii Housing Finance and Development Corporation to obtain and administer loans, and defined related terms;
- (2) Inserting language establishing an infrastructure development loan subaccount within the dwelling unit revolving fund;
- (3) Amending the appropriation to reference the infrastructure development loan subaccount and inserting an appropriation amount of \$50,000,000; 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 Housing and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 660, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 660, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Nishihara).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Taniguchi).

SCRep. 1091 Judiciary and Labor on H.B. No. 943

The purpose and intent of this measure is to establish a seven-year Kapolei jobs initiative pilot program to provide tax incentives for businesses that establish themselves or open new locations in the Kapolei region.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii; Kapolei Chamber of Commerce; Land Use Research Foundation; Hawaii Laborers-Employers Cooperation and Education Trust; Hawaii Construction Alliance; Avalon Development Company LLC; Colliers International; Hunt Development Group, LLC; James Campbell Company LLC; MK Kapolei Commons LLC; MyGoCenter; Pat Lee & Associates, LLC; and twelve individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that job growth in the Kapolei region on Oahu is a matter of community and state concern that affects employers and employees alike as households continue to outgrow the number of employment opportunities in the region. Your Committee further finds that the state enterprise zone program is restrictive, and participation in the program has been relatively low, particularly in the Leeward enterprise zone. This measure seeks to encourage greater economic growth and development in the Kapolei region.

Your Committee has amended this measure by:

- (1) Limiting the Kapolei jobs initiative pilot program to five years;
- (2) Increasing the minimum gross annual salary amount that a business must provide to at least half of its employees in order to participate in the initiative to \$44,000;
- (3) Inserting an effective date of January 7, 2059, 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. 943, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 943, S.D. 1, and be referred to your Committees on Ways and Means and Economic Development, Tourism, and Technology.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1092 Government Operations on H.B. No. 573

The purpose and intent of this measure is to:

- (1) Prohibit bid shopping and bid peddling in the competitive sealed bidding process; and
- (2) Prohibit a bidder from listing more than one subcontractor for each scope of work identified unless subcontractors vary with bid alternates.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, General Contractors Association of Hawaii, Hawaii Laborers-Employers Cooperation and Education Trust, and Building Industry Association of Hawaii. Your Committee received testimony in opposition to this measure from the State Procurement Office; Contractors License Board; Electrical Contractor's Association of Hawai'i; Sheet Metal Contractors Association; Plumbing and Mechanical Contractors Association of Hawaii; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers; Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; and Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs Regulated Industries Complaints Office.

Your Committee finds that efforts should be made to deter the possibility of bid shopping and bid peddling in the competitive sealed bidding process, and permitting injured subcontractor-plaintiffs to recover monetary damages from bidders and substituted subcontractors would discourage this unscrupulous practice and protects State interests.

Your Committee notes that the companion to this measure, S.B. No. 1070, S.D. 2 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that prohibits bid shopping and bid peddling, and provides bidders of public works construction projects with two hours after the closing of a bid to clarify and correct minor technical issues with subcontractor listings. Your Committee finds that the competitive sealed bidding process can be improved by providing additional time for bidders to clarify and correct subcontractor information, which may minimize bid challenges, costs, and delays of public works projects while maintaining the integrity of the bid process.

Your Committee concludes that the language of S.B. No. 1070, S.D. 2, is preferable because it allows extra time for bidders to correct minor subcontractor information in an effort to reduce unnecessary delays in public works projects, removes the burden on

bidders and substituted contractors to prove bid shopping or bid peddling did not occur, and limits the reasons that a substitution of a listed subcontractor may be allowed.

As such, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 1070, S.D. 2, a substantially similar measure, which:
 - (A) Allows bidders two hours after bid closing to clarify and correct certain information regarding subcontractors;
 - (B) Provides that bids for construction shall be opened no sooner than two hours after bid closing;
 - (C) Prohibits bid shopping and bid peddling in the competitive sealed bidding process; and
 - (D) Affords a legal means of redress to subcontractors affected by bid shopping and bid peddling practices in public works;
- (2) Clarifying that the substitution of an originally licensed subcontractor who has a valid and appropriate contractor's license from the time of bid through the time of award may be made for specified reasons;
- (3) Clarifying that substitution of a listed subcontractor is allowed when the originally listed subcontractor is unable to perform in a manner consistent with the terms and written understandings of the parties;
- (4) Inserting an effective date of July 1, 2055, 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 573, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 573, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1093 Judiciary and Labor on H.B. No. 76

The purpose and intent of this measure is to offer an employee of the Hawaii Health Systems Corporation whose position will be abolished or directly affected by a reduction-in-force, workforce restructuring plan, or privatization, the option of electing to remain in the employee's position until the expiration of the applicable collective bargaining agreement, in addition to the option to exercise reduction-in-force rights and receiving either a voluntary severance benefit or special retirement benefit.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received testimony in opposition to this measure from the Employees' Retirement System. Your Committee received comments on this measure from the Department of Budget and Finance; Hawaii Health Systems Corporation; Department of Budget and Fiscal Services, City and County of Honolulu; and Grassroot Institute of Hawaii.

Your Committee finds that Act 103, Session Laws of Hawaii 2015 (Act 103), authorized the Hawaii Health Systems Corporation's Maui regional system to increase cost-effectiveness by discontinuing health care services at one or more of those facilities and transferring the right and responsibility to manage, operate, and provide health care services in those facilities to one or more private entities or their nonprofit management entities. As a result of this enabling legislation, the Maui regional system facilities will be transitioned to management by a Kaiser-Permanente affiliate. Current employees of the system may be displaced as part of the transition.

Your Committee further finds that the Legislature enacted Act 1, Special Session Laws of Hawaii 2016, to authorize the Hawaii Health Systems Corporation to offer a severance or a special retirement benefit to an employee who elects to separate from service when the employee's position is identified for abolishment or when the employee is directly affected by a reduction-in-force or workforce restructuring plan, including privatization. This measure provides an additional option for employees affected by the transition of the Maui regional system to private management.

Your Committee notes that the testimony of the Department of Budget and Finance states that it would cost approximately \$30,000,000 in general funds for all eligible employees affected by Act 103 to receive severance benefits negotiated through collective bargaining supplemental agreements.

While your Committee understands the need to ensure that displaced employees of the Hawaii Health Systems Corporation's Maui regional system can rely on and receive accrued employment and retirement benefits, your Committee also understands that there is serious concern regarding the effects of this measure on the status of the Employees' Retirement System as a tax-qualified plan under the Internal Revenue Code.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting a general fund appropriation in the amount of \$30,000,000 to the Hawaii Health Systems Corporation for severance benefits for separated employees affected by Act 103, as may be negotiated through collective bargaining supplemental agreements; and
- (2) Inserting an effective date of January 7, 2059, 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. 76, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 76, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1094 Judiciary and Labor on H.B. No. 208

The purpose and intent of this measure is to authorize the Director of Labor and Industrial Relations or the Director's designee to issue a stop-work order to an employer, until the employer complies with section 386-121, Hawaii Revised Statutes, relating to security for workers' compensation coverage.

Your Committee received testimony in support of this measure from the Hawaii Construction Alliance, Hawaii Regional Council of Carpenters, RAM Corporation dba Allied Builders System, Pacific Resource Partnership, and Building Industry Association of Hawaii. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Chamber of Commerce Hawaii, and General Contractors Association of Hawaii.

Your Committee finds that when an employer fails to secure workers' compensation coverage in accordance with chapter 386, Hawaii Revised Statutes, the employer is liable for monetary penalties; however, these penalties are not always effective deterrents, and in some cases, employers continue to operate illegally. This measure seeks to provide the Department of Labor and Industrial Relations (DLIR) with greater enforcement mechanisms in an effort to increase employer compliance.

Your Committee shares the concerns stated in the testimony of the DLIR that this measure, in its current form, may be problematic in achieving its intended purpose and may abrogate due process required prior to the imposition of penalties. Your Committee also notes the concerns of the DLIR regarding the difficulties in collecting penalties from mainland companies and prevention of businesses knowingly misrepresenting themselves or closing the existing business and opening under another name.

Your Committee further finds that an employer is liable for monetary penalties if the employer fails to pay wages and other compensation in accordance with chapter 388, Hawaii Revised Statutes, without justification, and, similarly to cases involving violations of chapter 386, Hawaii Revised Statutes, these penalties are not always effective deterrents. S.B. No. 854, S.D. 1, Regular Session of 2017, seeks to provide the DLIR with greater enforcement mechanisms under chapter 388, Hawaii Revised Statutes, and can be included in this measure.

To address these concerns, your Committee has amended this measure by:

- (1) Specifying that an employer may request a hearing to protest a work-stop order for failure to secure workers' compensation coverage within twenty days of receiving the order, the hearing must be held within thirty days of the request, and a written decision must be issued to all parties within three hours of the conclusion of the hearing;
- (2) As recommended by the DLIR:
 - (A) Requiring a party who appeals a court decision regarding a stop-work order for failure to secure workers' compensation coverage to file a surety bond or letter of credit with the Director of Labor and Industrial Relations in an amount equal to ten percent of the penalty amount;
 - (B) Restoring statutory language that allows the Director of Labor and Industrial Relations, for good cause shown, to remit all or part of a penalty in excess of \$500 if the employer complies with section 386-121, Hawaii Revised Statutes, relating to security for workers' compensation coverage;
 - (C) Restoring and amending statutory language that allows the circuit court to enjoin an employer who for a period of fourteen days is in violation of section 386-121, Hawaii Revised Statutes, from carrying on the employer's business in the State until the employer is in compliance;
 - (D) Specifying that stop-work orders and any penalties imposed for failure to secure workers' compensation coverage shall be effective against any successor entity that has one or more of the same principals or officers as the corporation, association, partnership, limited liability company, sole proprietorship, or other legal business entity against which the stop-work order was issued;
 - (E) Inserting, as part II, proposed language in the testimony of the DLIR, similar to language in S.B. No. 854, S.D. 1, Regular Session of 2017, which allows the DLIR to issue orders of wage payment violation to employers in violation of chapter 388, Hawaii Revised Statutes, relating to the payment of wages and other compensation;
 - (F) Imposing a penalty of not less than \$500 or \$100 for each violation, whichever is greater, for an employer who violates chapter 388, Hawaii Revised Statutes, or administrative rules, to be paid into the general fund; and
 - (G) Deleting sections 1 and 2;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the DLIR indicated in their oral testimony that in cases where multiple entities are working at the same site, such as a subcontractor and general contractor, that a stop-work order and other applicable penalties would be issued against only the entity in violation of chapter 386, Hawaii Revised Statutes.

As affirmed by the record of votes of the members 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. 208, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 208, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1095 Judiciary and Labor on H.B. No. 233

The purpose and intent of this measure is to offer an employee of the Hawaii Health Systems Corporation whose position will be abolished or directly affected by a reduction-in-force, workforce restructuring plan, or privatization the choice of receiving both special retirement benefits and voluntary severance benefits or exercising a reduction-in-force right.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and thirty-six individuals. Your Committee received testimony in opposition to this measure from the Employees' Retirement System. Your Committee received comments on this measure from the Department of Budget and Finance, Department of Human Resources Development, and Hawaii Health Systems Corporation.

Your Committee finds that Act 1, Special Session Laws of Hawaii 2016, provided options to assist public employees who may be displaced through the privatization or closure of a Hawaii Health Systems Corporation facility and reduce the need for layoffs. Specifically, Act 1 authorized the Hawaii Health Systems Corporation to offer a severance or a special retirement benefit to an employee who elects to separate from service when the employee's position is identified for abolishment or when the employee is directly affected by a reduction-in-force or workforce restructuring plan, including privatization. This measure removes that option and requires that voluntary severance and special retirement benefits both be available in lieu of exercising reduction-in-force rights.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 233, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 233, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1096 Judiciary and Labor on H.B. No. 234

The purpose and intent of this measure is to repeal the voluntary severance benefit option for employees of the Hawaii Health Systems Corporation whose positions will be abolished or directly affected by a reduction-in-force, workforce restructuring plan, or privatization.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and thirty-four individuals. Your Committee received testimony in opposition to this measure from the Employees' Retirement System. Your Committee received comments on this measure from the Department of Budget and Finance and Hawaii Health Systems Corporation.

Your Committee finds that Act 1, Special Session Laws of Hawaii 2016, provided options to assist public employees who may be displaced through the privatization or closure of a Hawaii Health Systems Corporation facility and reduce the need for layoffs. Specifically, Act 1 authorized the Hawaii Health Systems Corporation to offer a severance or a special retirement benefit to an employee who elects to separate from service when the employee's position is identified for abolishment or when the employee is directly affected by a reduction-in-force or workforce restructuring plan, including privatization. This measure removes the option of voluntary severance benefits.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 234, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 234, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1097 Judiciary and Labor on H.B. No. 1031

The purpose and intent of this measure is to add the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to the list of agencies that are authorized to conduct criminal history record checks of employees, prospective employees, and contractors who have access to federal tax information.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of Taxation; Department of Human Services; Department of Labor and Industrial Relations; Office of the Mayor, County of Hawai'i; and one individual.

Your Committee finds that the Internal Revenue Service recently mandated that all agencies receiving federal tax information perform criminal history record checks, including a Federal Bureau of Investigation fingerprint search, of all employees, employee applicants, and contractors who have access to federal tax information. This measure allows the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to comply with federal requirements and continue to perform their core functions.

Your Committee has amended this measure by:

- (1) Adding language regarding contractors and the employees or agents of contractors, when appropriate, to consistently apply criminal history record check procedures to contractors;
- (2) Clarifying that contractors and their employees or agents who are providing services for the Department of Human Services and Department of Labor and Industrial Relations that require access to federal tax information are required to obtain prior authority to access the federal tax information by the United States Department of the Treasury;

- (3) Amending the language regarding the termination or denial of employment as a result of a criminal history record check, notification requirements, and opportunity to respond to findings of the Departments of Taxation, Human Services, and Labor and Industrial Relations and Child Support Enforcement Agency for purposes of consistency;
- (4) Adding a conforming amendment to section 831-3.1, Hawaii Revised Statutes, to provide an exemption for any denials or termination of employment as an employee, employee applicant, or contractor of the Departments of Taxation, Human Services, or Labor and Industrial Relations, or the Child Support Enforcement Agency;
- (5) Inserting an effective date of January 7, 2059, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1031, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1031, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1098 Commerce, Consumer Protection, and Health on H.B. No. 1444

The purpose and intent of this measure is to require pharmacy benefit managers to register with the Insurance Commissioner.

Your Committee received testimony in support of this measure from the Hawaii Pharmacists Association and ten individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Kaiser Permanente Hawaii, and CVS Health.

Your Committee finds that pharmacy benefit managers are administrators of prescription drug programs that are responsible for developing and maintaining formularies and other clinical management programs, processing prescription drug claims for insurance companies or corporations, and negotiating contracts with pharmaceutical manufacturers. Pharmacy benefit managers also perform utilization reviews, manage clinical programs targeted to specific disease states, and operate pharmacies, including mail order and specialty pharmacies. Over the past decade, the role of pharmacy benefit managers in the delivery of health care has increased due to a variety of factors, including coverage expansions under the Medicare Part D prescription drug benefit and the federal Affordable Care Act and an increase in prescription drug spending, that has motivated commercial health plans and self-insured employers to outsource the management of their spending on outpatient prescription drugs.

Your Committee further finds that pharmacy benefit managers operate inside integrated health care pharmacies, as part of retail pharmacies, and as part of insurance companies. As more and more pharmacies merge with pharmacy benefit managers, questions have been raised regarding the need for transparency and oversight over these entities. For example, a 2014 report by the ERISA Advisory Council to the United States Secretary of Labor, titled "PBM Compensation and Fee Disclosure", noted that vertically integrated pharmacy benefit managers may pose conflicts of interest related to compensation. The report also noted that pharmacy benefit managers' plan sponsors "face considerable obstacles. . . to determine compliance with [pharmacy benefit managers] contracts including direct and indirect [pharmacy benefit managers] compensation contract terms".

Your Committee additionally finds that this measure proposes registration and oversight of pharmacy benefit managers, similar to what is required for health insurance companies or health plans. Your Committee notes that while pharmacy benefit managers may already register with the Business Registration Division, such registration does not provide sufficient regulation or oversight of this industry.

Your Committee has heard testimony that this measure does not distinguish between third-party pharmacy benefit managers and internally owned in-house pharmacies, such as the kind operated and managed by a health maintenance organization. Unlike third-party pharmacy benefit managers, health maintenance organizations who perform in-house pharmacy benefit services are already under the authority of the Insurance Commissioner. An amendment to address this concern is therefore needed. Although your Committee has also heard testimony expressing concern that any sort of oversight of pharmacy benefit managers by the Board of Pharmacy would be inappropriate, your Committee believes these concerns are misplaced. This measure adds a new chapter within title 24, Hawaii Revised Statutes, relating to insurance, and clearly places oversight of pharmacy benefit managers with the Insurance Commissioner. The Board of Pharmacy has no regulatory or oversight responsibilities over pharmacy benefit managers under this measure.

Finally, your Committee notes that prescription drugs are a major factor of the spiraling increase in health care costs, of which pharmacy benefit managers are a contributing factor. This measure gives clear authority to the Insurance Commissioner to regulate pharmacy benefit managers, is an important first step toward regulating this industry, and is necessary to provide transparency and ensure adequate consumer protection.

Your Committee has amended this measure by:

- (1) Updating the purpose section;
- (2) Clarifying that the definition of "covered entity" only includes those entities that contract with a third-party pharmacy benefit manager to perform pharmacy benefit management;
- (3) Specifying that notwithstanding any law to the contrary, pharmacy benefit managers must still register with the Insurance Commissioner; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1444, H.D. 2, as amended herein, and

recommends that it pass Second Reading in the form attached hereto as H.B. No. 1444, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chang, Ihara, Kidani).

SCRep. 1099 Commerce, Consumer Protection, and Health on H.B. No. 1499

The purpose and intent of this measure is to:

- (1) Authorize the use of the Condominium Education Trust Fund to pay for arbitration of condominium disputes;
- (2) Specify that use of trust fund monies to pay arbitrator's fees shall only be allowed if parties agree to binding arbitration and rescind their rights to trial de novo; and
- (3) Provide penalties for noncompliance.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of this measure and inserted provisions that:

- (1) Clarify the process, including payment obligations, mediation requirements, and triggers for further default, where a condominium unit owner and association reach a payment plan to resolve a nonjudicial foreclosure; establish procedures that provide condominium owners with the right to submit disputed legal fees, penalties or fines, late fees, lien filing fees, or other charges, except for common expense assessments, to the mediation process prior to payment; and make conforming amendments; and
- (2) Expand the scope of the Condominium Education Trust Fund to cover voluntary binding arbitration between interested parties and amend the conditions that mandate mediation and exceptions to mandatory mediation.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Council of Associations of Apartment Owners and Associa. Your Committee received comments on the proposed S.D. 1 from the Real Estate Commission and two individuals.

Your Committee finds that under existing law, if an association of apartment owners starts a nonjudicial foreclosure against a condominium owner and the owner pays off the delinquency or proposes a payment plan that the association accepts, the association is supposed to rescind the notice of foreclosure and not proceed. However, proposing a payment plan is not sufficient on its own to cure a default. Accordingly, the proposed S.D. 1 clarifies the process once a condominium owner and association agree on a payment plan to resolve a nonjudicial foreclosure. The proposed S.D. 1 also amends Hawaii's existing pay first, dispute later requirement, which specifies that owners are not permitted to withhold any assessment claimed by their association, but must first pay the disputed amounts and then exercise their right to mediation, arbitration, or small claims court, to make it clear that common expense assessments are the only fees that must be paid prior to initiating a dispute. Under the proposed S.D. 1, all other penalties or fines, late fees, lien filing fees, or other charges in an assessment may be submitted to mediation prior to payment.

Your Committee further finds that alternative dispute resolution is a viable, affordable option for handling condominium-related disputes. However, under existing law, mediation is only nominally mandatory, as there are few incentives and no penalties for any board that refuses to engage in mediation. Accordingly, the proposed S.D. 1 expands the scope of the Condominium Education Trust Fund to cover voluntary binding arbitration between interested parties and amends the conditions that mandate mediation and exceptions to mandatory mediation.

Your Committee has heard the concerns that, because arbitration can be costlier than mediation, the limits on support from the Condominium Education Trust Fund for voluntary binding arbitration and mediation in the proposed S.D. 1 may not accurately reflect the costs associated with these forms of alternative dispute resolution. Your Committee has also heard the concerns that certain language in the proposed S.D. 1, which removes a requirement for owners to make a good faith effort to resolve a dispute under alternative dispute resolution, may unintentionally remove any incentive for owners to attempt mediation as a first resort. Your Committee understands these concerns and concludes that amendments to the proposed S.D. 1 are necessary.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and by making further amendments which:

- (1) Clarify that a condominium owner who contests the amount of any attorneys' fees and costs, penalties or fines, late fees, lien filing fees, or any other charges, except common expense assessments, may make a demand in writing for mediation on the validity of those other charges;
- (2) Retain language specifying that no association shall deduct and apply portions of common expense payments received from an apartment owner to unpaid late fees, or from a unit owner to unpaid late fees, legal fees, fines, and interest (other than amounts remitted by an apartment in payment of late fees or a unit in payment of late fees, legal fees, fines, and interest);
- (3) Clarify that funds from the Condominium Education Trust Fund may be used to support parties who agree to enter into voluntary binding arbitration, but only after the parties have first attempted evaluative mediation;
- (4) Clarify that the maximum amount of support from the Condominium Education Trust Fund for voluntary binding arbitration shall be \$6,000, rather than \$3,000;
- (5) Remove section 15, which would have deleted a requirement for an owner to first submit a claim against an association to mediation or arbitration, and make a good faith effort to resolve the dispute under these alternative dispute resolution procedures;

- (6) Clarify that the parties subject to mediation, including mandatory mediation, of a dispute include a unit owner and the board, unit owner and the managing agent, board members and the board, or directors and managing agents and the board;
- (7) Clarify that each party to a mediation is responsible for the party's own fees, costs, and expenses, unless otherwise specified in a written agreement, court order, or arbitration award;
- (8) Clarify that each party to a mediation supported by funds from the Condominium Education Trust Fund shall pay a fee of \$375 to the mediator, as this is consistent with the usual costs associated with evaluative mediation, and capping the support for mediation from the trust fund at \$3,000, rather than \$6,000; and
- (9) 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1499, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1499, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1100 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on H.B. No. 733

The purpose and intent of this measure is to provide exemptions from vehicle registration, safety inspection, and driver licensure requirements for marine terminal equipment when operating on Sand Island Parkway and Sand Island Access Road to allow the operation of marine terminal equipment between terminal locations under specific conditions.

Your Committees received testimony in support of this measure from the Department of Transportation; Maritime Group, LLC; Matson; and one individual.

Your Committees find that this measure promotes operational efficiencies at the harbors by streamlining the existing process to allow marine equipment to be moved between terminals and by affording harbor users to re-allocate resources as needed. The marine equipment that is usually moved between terminals is limited to tractor trucks, forklifts, and top picks, and this flexibility is most needed for terminals at Sand Island.

Your Committees have amended this measure by:

- (1) Clarifying that the exemptions apply to tractor trucks, forklifts, and top picks used as marine terminal equipment that are temporarily moving in or between terminals; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 733, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 733, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Commerce, Consumer Protection, and Health: Ayes, 7. Noes, none. Excused, none.

SCRep. 1101 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on H.B. No. 735

The purpose and intent of this measure is to allow rental car companies to collect from customers mandated government fees and amend the formula upon which those fees are assessed.

Your Committees received testimony in support of this measure from the Department of Transportation, Chamber of Commerce Hawaii, Hawai'i Lodging & Tourism Association, Hertz Global, Hilton Hawaii, Avis Budget Group, American Car Rental Association, Maui Hotel and Lodging Association, Avis Budget Group, Enterprise Holdings in Hawaii, and one individual. Your Committees received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that while the rental car industry is vitally important to Hawaii, rental car customers, who are predominantly tourists, should be made fully aware of all of the mandatory government taxes that are assessed on each rental car. According to testimony, thirty-eight states currently permit rental car companies to fully recover all government fees assessed on rental cars.

Your Committees further finds that existing law permits rental car companies to recover from rental car customers certain mandatory government fees paid by the companies to make rental vehicles road-ready. However, the prorated formula is calculated over a period of three hundred sixty-five days, which results in a significant portion of the fees going unrecovered. Rental car companies incur a shortfall in collections under existing law, which hinders their ability to provide a selection of rental cars to customers.

Your Committees recognize the concerns of several testifiers that the reporting requirements in this measure as currently drafted are overly broad. In addition, your Committees note concerns that the one-year sunset date may be too short of a time frame for the Department of Business, Economic Development, and Tourism to determine the impact of this measure.

Your Committees note that the Senate previously passed S.B. No. 657, S.D. 2 (Regular Session 2017), a substantially similar measure, which your Committees believe addresses several of the concerns raised.

Accordingly, your Committees have amended this measure by deleting its contents and inserting the contents of S.B. No. 657, S.D. 2, a substantially similar measure, which:

- (1) Amends the prorated amount, at an unspecified rate, of vehicle license and registration and weight taxes that rental car companies may pass on to lessees;
- (2) Requires the motor vehicle rental industry to report to the Legislature prior to the convening of the Regular Session of 2019 on the impact to average vehicle license recovery fee charged to each customer on each motor vehicle rental, the profit margin of each motor vehicle rental, and the actual time in service of each motor vehicle rental;
- (3) Defines "vehicle license recovery fee" for purposes of the report;
- (4) Inserts an effective date of March 1, 2050, to encourage further discussion; and
- (5) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 735, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 735, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

Commerce, Consumer Protection, and Health: Ayes, 7. Noes, none. Excused, none.

SCRep. 1102 Human Services on H.B. No. 1195

The purpose and intent of this measure is to appropriate funds to the Department of Health and Department of Human Services, including the Office of Youth Services, to provide homeless outreach services.

Your Committee received testimony in support of this measure from the Governor's Coordinator on Homelessness, Office of the Mayor of the County of Hawai'i, Hawaii Youth Services Network, Hawaii Substance Abuse Coalition, Hawaii Children's Action Network, The Institute for Human Services, ALEA Bridge, Ku Aloha Ola Mau, Catholic Charities Hawai'i, PHOCUSED, Partners in Care, Hawaii Appleseed Center for Law and Economic Justice, Community Alliance on Prisons, YWCA O'ahu, Harm Reduction Hawaii, Hale Makua, Hawaii Chapter of the Young Progressives Demanding Action, The Salvation Army, The Drug Policy Forum of Hawai'i, The CHOW Project, IMUAlliance, American Civil Liberties Union of Hawai'i, Action with Aloha, and nineteen individuals. Your Committee received comments on this measure from the Department of Human Services, Department of Health, and Office of Youth Services.

Your Committee finds that Hawaii has the highest rate per capita of homelessness of any state in the nation. Addressing homelessness requires a multi-faceted approach using interventions targeted to the particular characteristics of the population being served. A more strategic, coordinated outreach effort is needed to assertively serve the growing percentage of homeless persons who are not living in shelter programs. Additionally, outreach is especially critical to help newly homeless youth navigate the social services system to find safe alternatives to homelessness, as youth service providers report that the number of homeless youth has been increasing each year.

Your Committee has amended this measure by:

- (1) Inserting language that appropriates funds for ongoing rental subsidies to reduce and prevent homelessness; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1195, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1195, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1103 (Joint) Economic Development, Tourism, and Technology and Transportation and Energy on H.B. No. 1579

The purpose and intent of this measure is to promote the use of clean, renewable energy sources by authorizing the issuance of revenue bonds to the High Technology Development Corporation for the development and construction of an electrolysis hydrogen production, storage, and dispensing facility to be managed by the Hawaii Center for Advanced Transportation Technologies.

Your Committees received testimony in support of this measure from the Department of Transportation, SanHI Government Strategies, Blue Planet, and Hawaii Automobile Dealers Association. Your Committees received comments on this measure from the Department of the Attorney General and Department of Budget and Finance.

Your Committees find that hydrogen fuel cell electric vehicles are powered by a fuel cell that converts hydrogen gas and oxygen into electricity. These vehicles are zero emission vehicles and can help the State fulfill the goals of the Hawaii Clean Energy Initiative to reduce fossil fuel use in the State. Your Committees find the electrolysis hydrogen production, storage, and dispensing facility will strengthen Hawaii's commitment to increasing the production of clean energy.

Your Committees note that H.B. No. 1508, H.D. 2, Regular Session of 2017, a measure relating to energy efficiency, establishes a demonstration project for building energy efficiency designs within the Department of Transportation and requires state buildings to incorporate certain energy efficient practices. Your Committees conclude that language from H.B. No. 1508, H.D. 2, should be added to this measure to further support and advance the Hawaii Clean Energy Initiative goals for the State.

Your Committees have amended this measure by:

- (1) Authorizing the High Technology Development Corporation to issue revenue bonds, rather than special facility revenue bonds;
- (2) Inserting the contents of H.B. No. 1508, H.D. 2, which:
 - (A) Establishes a building energy efficiency demonstration project until June 30, 2020, within the Department of Transportation to create a facility or building with net zero emissions, and appropriate funds out of the general revenues of the State to conduct the project;
 - (B) Requires that all state buildings built or renovated on or after July 1, 2020, incorporate certain energy efficient practices; and
 - (C) Inserts 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 Economic Development, Tourism, and Technology and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1579, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1579, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 5. Noes, none. Excused, none.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).

SCRep. 1104 (Joint) Economic Development, Tourism, and Technology and Higher Education on H.B. No. 1478

The purpose and intent of this measure is to appropriate funds to advocate for, promote, develop, test, and evaluate unmanned aerial system technologies through the Applied Research Laboratory at the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawaii and six individuals.

Your Committees find that many Hawaii businesses may be enhanced, expanded, and made more resilient for the future by the incorporation of unmanned aerial systems into the business structure where appropriate and beneficial. Your Committees find that state and county policies and procedures need to prepare for, embrace, and encourage incorporation of unmanned aerial systems in the full range of Hawaii's business framework and economic development and that this measure complements Hawaii's participation in the Pan-Pacific Unmanned Aerial Systems Test Range Complex, which is part of a national effort to advance the use of unmanned aerial systems in service to the economy.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1478, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Thielen).

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

SCRep. 1105 (Joint) Higher Education and Agriculture and Environment on H.B. No. 1279

The purpose of this measure is to appropriate funds for the Community Food Systems Center at the University of Hawaii West Oahu to expand upon its existing education for sustainable agricultural food production by:

- (1) Establishing scholarships for students in the Community Food Systems concentration;
- (2) Creating positions for a full-time garden manager and part-time student assistants for the student organic garden at the University of Hawaii West Oahu;
- (3) Creating a Hawaiian Center for Sustainable Community Food Systems; provided that the University of Hawaii West Oahu first conducts and submits to the Legislature a study to determine the feasibility and benefits of creating the center; and
- (4) Implementing research projects, hosting conferences, and employing additional staff and faculty as the director of the program deems necessary.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Department of Agriculture, Hawai'i Alliance for Community-Based Economic Development, Kamehameha Schools, MA'O Organic Farms, and two individuals. Your Committees received comments on this measure from the Office of Planning and Hawai'i Farm Bureau.

Your Committees find that around eighty-five percent of Hawaii's food is imported, making the State vulnerable to events that disrupt shipping and other modes of transporting food. Your Committees further find that, in addition to food security, growing food within the State is important for the local economy and economic development.

Your Committees additionally find that systematically advancing the goals of food security, resiliency, and equity in Hawaii require promoting an understanding of sustainable food production and training a new generation of students for jobs in the sustainable food and agriculture sector. Your Committees recognize that the Community Food Systems Center at the University of Hawaii West Oahu provides a rich experiential, applied, and multi-disciplinary undergraduate education that develops student comprehension of interrelated ecological and social issues in agriculture. Your Committees find that the efforts supported by this measure are an essential part of meeting the State's *Increased Food Security and Food Self-Sufficiency Strategy* established in 2012.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees recommend that if your Committee on Ways and Means chooses to pass this measure, that it consider inserting an appropriation amount of \$1,300,000 for the Community Food Systems Center at the University of Hawaii West Oahu to expand upon its existing education for sustainable agricultural food production.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1279, H.D. 1, as amended herein, and recommend 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1106 (Joint) Higher Education and Agriculture and Environment on H.B. No. 1300

The purpose and intent of this measure is to:

- (1) Require the Environmental Center of the University of Hawaii to conduct ongoing studies of the environmental impacts of sewage spills on affected coral reefs and report annually to the Legislature on its findings; and
- (2) Appropriate funds to the University of Hawaii to conduct the ongoing studies.

Your Committees received testimony in support of this measure from the Sierra Club of Hawaii and three individuals. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that Hawaii has experienced numerous wastewater spills in recent years that have released large amounts of raw sewage into the ocean. Estimates indicate around ten thousand gallons of raw sewage spillage in 2016, and five hundred thousand gallons in 2015. Your Committees further find that research demonstrates that raw human waste contains microbes that cause coral diseases such as white pox and black band disease. Your Committees additionally find that it is imperative that the State make efforts to better protect Hawaii's coral reef ecosystems, and that understanding the environmental impact of wastewater spills is a critical component of these efforts.

Your Committees have amended this measure by:

- (1) Inserting language to make the Hawaii Institute of Marine Biology at the University of Hawaii responsible for conducting the ongoing studies and reports related to the environmental impacts of sewage spills on affected coral reefs rather than the Environmental Center;
- (2) Inserting an effective date of July 1, 2017; 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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1300, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1300, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1107 Higher Education on H.B. No. 1585

The purpose and intent of this measure is to appropriate general funds to the University of Hawaii for project-funded staff positions for capital improvement program projects.

Your Committee received testimony in support of this measure from the University of Hawai'i System and one individual.

Your Committee finds that the University of Hawaii System has a substantial deferred maintenance backlog that it is working toward eliminating. Currently, outside construction management and inspection services are typically obtained on a project-by-project basis due to insufficient funds. According to testimony submitted by the University, this inefficient use of construction management services does not deliver consistent oversight or performance standards. Your Committee additionally finds that the University has a ten-year strategy plan to eliminate deferred maintenance and reach modernization goals and notes that this measure allows for the delivery of construction management services in-house, which provides a more optimum model for performing construction management and inspection services.

Your Committee additionally finds that tuition rates at the University of Hawaii have been consistently on the rise in recent years and that the University has spent increasing amounts on personnel expenses during this time. Your Committee is concerned with the lack of demonstrated efforts by the University of Hawaii to restructure and use financial resources efficiently, and finds that more transparency and accountability is needed.

Accordingly, your Committee has amended this measure by:

- (1) Requiring that all University of Hawaii employees who hold administrative positions and earn more than \$150,000 annually be employed under an employment contract with the University by July 1, 2018; and

- (2) Making 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. 1585, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1585, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

SCRep. 1108 Higher Education on H.B. No. 1594

The purpose and intent of this measure is to provide scholarships for the unmet direct cost needs of qualified students enrolled at any University of Hawaii campus by creating the Hawaii promise program and appropriating funds to establish and implement the program.

Your Committee received testimony in support of this measure from the University of Hawai'i System; Faculty Senate at Leeward Community College; KASAMA, Leeward Community College; Hawaii Friends of Civil Rights; Filipino-Americans Advocacy Network; National Federation of Filipino American Associations Region 12; Nursing Advocates and Mentors, Inc.; Filipino American Citizens League; Kamehameha Schools; Associated Students of the University of Hawai'i, West O'ahu; Kai Hawaii, Inc.; Office of Student Equity Excellence and Diversity, University of Hawai'i at Mānoa; and forty-eight individuals.

Your Committee finds that Hawaii has a college completion rate goal of 55 by '25 with the hope of increasing the percentage of working-age adults with two- or four-year degrees to fifty-five percent by 2025. Your Committee further finds that the University of Hawaii has a system wide, strategic graduation initiative with a goal of increasing the educational capital of the State by increasing participation in college by students, particularly Native Hawaiians, low-income students, and those from underserved regions and populations. An educated labor force and engaged citizenry are essential in today's global, knowledge-based economy.

Your Committee finds that as the cost of higher education continues to rise and become more burdensome for families, attendance and completion of college become especially difficult for students. According to a 2016 report by the Institute for Research on Higher Education at the University of Pennsylvania Graduate School of Education, Hawaii's financial aid policies did little to alleviate costs for families earning less than \$30,000 annually and the State provided minimal need-based aid to students attending public institutions. This measure attempts to address these issues by providing scholarships for the unmet needs of qualified students.

Your Committee notes that the companion to this measure, S.B. No. 1162, S.D. 2 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that also establishes and appropriates funds for the Hawaii promise program. Your Committee concludes that the language in S.B. No. 1162, S.D. 2, is preferable because it includes all University of Hawaii campuses, both community college campuses and non-community college campuses, in the scholarship program. Your Committee further finds that the language in S.B. No. 1162, S.D. 2, specifies eligibility requirements for community college students that are distinct from eligibility requirements for students at other campuses, and also appropriates funds distinctly between the types of campuses.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 1162, S.D. 2, a substantially similar measure, which:

- (1) Makes the Hawaii promise program apply to all University of Hawaii campuses, including the community colleges;
- (2) Provides program requirements that include enrollment in a classified degree or certificate program of six or more credits per semester for students attending community colleges and enrollment in a classified degree or certificate program of fifteen or more credits per semester for students attending a non-community college campus;
- (3) Establishes that students must earn a minimum of twelve credits per academic year if the student is enrolled at a community college, and thirty credits per academic year if the student is enrolled at a non-community college campus, in order to maintain a scholarship;
- (4) Clarifies that if a student is returned to good standing after a period of probation, but subsequently fails to comply with the academic requirements at any time within an eight-semester period, after the return to good standing, the student's scholarship shall be revoked;
- (5) Clarifies the definition of "direct cost";
- (6) Establishes the Hawaii promise program special fund to be used to provide financial assistance to qualified students through Hawaii promise program scholarships;
- (7) Requires the University of Hawaii to report to the Legislature no later than twenty days prior to the convening of each regular session with information on the special fund, including the number of scholarships provided under the Hawaii promise program and recommendations on all tuition waivers; and
- (8) Appropriates funds into the Hawaii promise program special fund and creates two appropriation sections that appropriate monies from the Hawaii promise program special fund to separately fund scholarships at four-year campuses and community colleges.

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. 1594, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1594, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

SCRep. 1109 (Joint) Housing and Human Services on H.B. No. 488

The purpose and intent of this measure is to:

- (1) Authorize the issuance of general obligation bonds and appropriate funds for rental housing, a mixed-use affordable rental housing and multi-use juvenile services and shelter center, and public housing; and
- (2) Appropriate funds for public housing security improvements, renovation, and repairs.

Your Committees received testimony in support of this measure from the Judiciary of the State of Hawaii; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority; EAH Housing; Land Use Research Foundation of Hawaii; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Housing Now Coalition; Hawaii Association of REALTORS; Hawaii Construction Alliance; In-State Partners; Stanford Carr Development, LLC; Catholic Charities Hawaii; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Children's Action Network; Americans for Democratic Action; IMUAlliance; Protecting Hawaii's Ohana, Children, Underserved, Elderly and Disabled; Partners in Care; Hawaii Habitat for Humanity Association; Institute for Human Services; and four individuals.

Your Committees find that Hawaii's housing market suffers from a persistent shortage of housing, particularly housing that is affordable for Hawaii's workforce and lower income groups. Your Committees further find that a significant investment of resources in capital improvement projects by the State is necessary to meet the critical and longstanding need for housing and services. Your Committees additionally find that expanding the pool of investors that may qualify for low-income housing tax credits will further incentivize development of affordable housing in the State.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to specify that certain provisions of the Internal Revenue Code related to at-risk rules and deductions and to passive activity losses do not apply with respect to claims from the state low-income housing tax credit;
- (2) Specifying a general obligation bond issuance and appropriation amount of \$75,000,000 for purposes of the rental housing revolving fund;
- (3) Specifying a general obligation bond issuance and appropriation amount of \$15,000,000 for construction of a mixed-use affordable rental housing and multi-use juvenile services and shelter center;
- (4) Inserting a general fund appropriation of \$75,000,000 for purposes of the dwelling unit revolving fund;
- (5) Replacing specific appropriations and language for public housing security enhancements with a single general bond issuance and appropriation of \$75,000,000 for development, improvements, security upgrades, repairs, and renovations of public housing, including security improvements and enhancements at Kalihi Valley Homes;
- (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 Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 488, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 488, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahale, Keith-Agaran).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1110 Human Services on H.B. No. 1466

The purpose and intent of this measure is to establish the Youth Advisory Commission within the Office of Youth Services to advise the Governor and Legislature on the effects of legislative policies, needs, assessments, priorities, programs, and budgets concerning the youth of the State.

Your Committee received testimony in support of this measure from the Hawaii Youth Services Network, Community Alliance on Prisons, Hawaii Chapter of the Young Progressives Demanding Action, and six individuals. Your Committee received comments on this measure from the Office of Youth Services.

Your Committee finds that increasing youth participation in the public policymaking process is in the best interest of the State, as Hawaii has the lowest voter participation rate in the United States. Although young people aged sixteen and seventeen may work and pay taxes, they are denied a formal role in the political process because they are prohibited from voting. Establishing a Youth Advisory Commission could enable greater interest in policymaking for youth and provide valuable input on issues affecting young people.

Your Committee notes that S.B. No. 1220, S.D. 1 (Regular Session of 2017), a substantively similar measure, was previously passed by your Committee and contains language that is preferable because it, among other things:

- (1) Discusses the importance of youth participation in public policymaking;
- (2) Specifies that one member appointed by the Governor to the Youth Advisory Commission must be a previous recipient of youth services;
- (3) Expands the list of criteria to be considered by the President of the Senate and Speaker of the House of Representatives when making appointments to the Youth Advisory Commission;

- (4) Allows the Youth Advisory Commission members to invite other individuals to participate in commission activities as temporary, nonvoting members; and
- (5) Inserts language that appropriates an unspecified amount for the hiring of one staff position to administer the Youth Advisory Commission.

Your Committee further notes that an appropriation amount of \$150,000 would be necessary to cover the costs of hiring one staff position to administer the Youth Advisory Commission and other expenses, such as travel and administrative costs. Furthermore, the Office of Youth Services and Hawaii Youth Services Network are encouraged to submit nominations to the Governor, President of the Senate, and Speaker of the House of Representatives for consideration of appointments to the Youth Advisory Commission.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 1220, S.D. 1, which:

- (1) Establishes a Youth Advisory Commission within the Office of Youth Services to advise the Governor and Legislature on issues relating to youth;
- (2) Appropriates funds for the hiring of one staff position to administer the Youth Advisory Commission and other associated administrative costs; and
- (3) Includes an effective date of July 1, 2017.

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. 1466, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1466, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1111 Human Services on H.B. No. 527

The purpose and intent of this measure is to appropriate funds for establishing, staffing, and operating two mobile clinics to serve the homeless population.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i, The Queen's Health Systems, Hawaii Association of Professional Nurses, Hawai'i Psychological Association, and five individuals. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. Homeless persons face a myriad of issues, including general health issues, mental illness, and substance abuse. Your Committee further finds that mobile clinics are increasing in popularity across the nation as government entities find ways to address the health care needs of the homeless population. In places such as Denver, Colorado; Seattle, Washington; and San Jose, California, mobile clinics offer a variety of free health care services for local homeless populations, saving significant costs on emergency room visits. Similarly, in Hawaii, mobile clinics would be able to provide timely non-emergency medical care to homeless individuals in the community. By making basic preventative and primary healthcare services more accessible on a mobile outreach basis, the State could assist with mitigating many homeless individuals' illnesses before they become severe, and thus reduce the high demand for emergency medical services to treat non-emergency conditions or emergency conditions that could have been prevented.

Your Committee notes that this measure appropriates an unspecified amount in general funds for fiscal years 2017-2018 and 2018-2019 and requests that your Committees on Commerce, Consumer Protection, and Health and Ways and Means consider an appropriation amount of \$1,400,000 for the purposes of this measure; provided that the funds may be used for repairing and renovating existing vehicles as mobile clinics. Your Committee also believes that the development of a mobile clinic pilot project for Hawaii County may be a worthy endeavor for consideration in the future. Furthermore, your Committee notes that to effectively operate and provide services through mobile clinics, it is critical to include a psychiatrist and pharmacist as members of a mobile clinic staff.

Your Committee has amended this measure by:

- (1) Including a social worker and outreach worker as suggested staff of a mobile clinic;
- (2) Including, as well as defining, street medicine as a service that may be provided by mobile clinics; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 527, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 527, H.D. 1, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1112 Human Services on H.B. No. 1281

The purpose and intent of this measure is to:

- (1) Establish and appropriate funds for a three-year Work-for-a-Day pilot program that provides homeless individuals with work opportunities and connects them with service providers; and

- (2) Require the Governor's Coordinator on Homelessness to submit a report to the Legislature prior to the 2018 Regular Session on implementing the pilot program.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i, Catholic Charities Hawai'i, Hawaii Youth Services Network, Hawaii Applesseed Center for Law and Economic Justice, and two individuals. Your Committee received comments on this measure from the Governor's Coordinator on Homelessness, Department of Human Services, and The Institute for Human Services.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. According to the 2016 Hawaii Statewide Homeless Point-In-Time conducted in January 2016, there are 7,921 homeless individuals in the State, an overall increase of four percent from 2015.

Your Committee further finds that pilot programs throughout the United States provide homeless individuals with temporary work while providing easy access to services. A pilot program launched in Albuquerque, New Mexico, has received national attention, as the program connects homeless individuals with work cleaning up public spaces and is proving to be a success. In Hawaii, some service providers already assist homeless individuals with temporary work. However, those programs are limited to small areas, and thus are not available to the vast majority of homeless individuals in communities throughout the State. Introducing a pilot program that provides homeless individuals with work opportunities, while connecting them with service providers, mutually benefits the homeless individuals and the local community.

Your Committee has amended this measure by:

- (1) Referencing the pilot program as a "homeless employment pilot program" rather than a "work-for-a-day pilot program";
- (2) Clarifying that the intent of the homeless employment pilot program is to, among other things, assist homeless individuals with a path to employment in the general workforce and pre-vocational training for those who require such a transition and allow homeless individuals who face barriers and stigmas based on their background to seek employment opportunities;
- (3) Specifying that the Department of Labor and Industrial Relations, rather than the Governor's Coordinator on Homelessness, shall administer the homeless employment pilot program;
- (4) Clarifying that the homeless employment program shall qualify homeless individuals for and connect them to housing programs;
- (5) Specifying that the Department of Labor and Industrial Relations, rather than the Governor's Coordinator on Homelessness, shall submit a report on the progress of the homeless employment pilot program to the Legislature no later than twenty days prior to the Regular Session of 2018;
- (6) Specifying that the expending agency of the appropriation to establish the homeless employment pilot program shall be the Department of Labor and Industrial Relations rather than the Department of Human Services;
- (7) Inserting language that:
 - (A) Requires and appropriates funds for the Auditor to conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment for homelessness and submit a report to the Legislature; and
 - (B) Requires and appropriates funds for the Department of Human Services, in collaboration with the Department of Health, to review the progress of the Hawaii pathways project pilot and continue to pursue efforts to utilize Medicaid to provide supportive housing services for chronically homeless individuals and submit a report of its findings to the Legislature; 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. 1281, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1281, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1113 (Joint) Human Services and Housing on H.B. No. 1240

The purpose and intent of this measure is to appropriate funds to the Department of Human Services for the coordinated statewide homeless initiative, subject to certain conditions.

Your Committees received testimony in support of this measure from Office of the Mayor of the County of Hawai'i; Hawaii Youth Services Network; The Institute for Human Services; Catholic Charities Hawai'i; Aloha United Way; Hawaii Applesseed Center for Law and Economic Justice; U.S. VETS; IMUAlliance; The Salvation Army, Hawaiian and Pacific Islands Division; Gregory House Programs; and two individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness, Department of Human Services, Department of the Attorney General, and State Procurement Office.

Your Committees find that homelessness continues to be one of the State's most significant and challenging social problems that requires continuous resources and coordinated efforts at all levels. One such effort is the coordinated statewide homeless initiative, which provides important, cost-effective homelessness prevention and rapid rehousing services statewide and increases coordination through the statewide information and referral system on behalf of homeless individuals and those at risk of homelessness. In approximately eight months, the coordinated statewide homeless initiative provided financial assistance to 1,279 households, thereby assisting 3,992 adults and children who were homeless or at risk of becoming homeless. Although this program is only one component

to address homelessness in the State, it has proven to be effective and critical in helping homeless individuals and those at risk of homelessness.

Your Committees have amended this measure by:

- (1) Clarifying that the services of a master contractor procured by the Department of Human Services shall be to procure and oversee subcontracts for the provision of coordinated statewide homeless initiative services;
- (2) Clarifying that the master contractor shall have the authority to modify the scope of services of any subcontract to the master contract, rather than any scope of services;
- (3) Clarifying the information used by the master contractor when overseeing contracts;
- (4) Allowing the master contractor to retain administrative fees of fifteen percent from the amounts paid under the master contract between the master contractor and subcontractors;
- (5) Specifying that funds for the coordinated statewide homeless initiative shall be administered in conformance to accepted industry financial accounting and performance standards;
- (6) Clarifying that subcontracts to the master contract, rather than all contracts, executed and using appropriations authorized pursuant to this measure shall not be subject to chapters 42F, 103D, and 103F, Hawaii Revised Statutes; 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 Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1240, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1240, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 1114 Commerce, Consumer Protection, and Health on H.B. No. 1488

The purpose and intent of this measure is to:

- (1) Establish the Office of Medical Marijuana Administration;
- (2) Amend certain dates and deadlines in existing law to address the delays in implementation;
- (3) Establish new deadlines for the Department of Health to implement the dispensary system, including deadlines for implementation of the Department's computer software tracking system and laboratory testing program;
- (4) Provide for an alternative means to track marijuana sales during any shutdown of the Department of Health's computer tracking system; and
- (5) Amend requirements for laboratory standards and testing to ensure product and patient safety, including authorizing qualifying patients and primary caregivers to directly obtain testing services.

Your Committee received testimony in support of this measure from the Hawaii Educational Association for Licensed Therapeutic Healthcare; Cure Oahu; We Are One, Inc.; NuWayve Unlimited; Spectra Analytical Lab; Steep Hill Hawaii; Hawaii Cannabis Care; Maui Grown Therapies; Lau Ola LLC; Patients Without Time; and twenty-five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Dispensary Alliance, Kush Bottles Hawaii, and seven individuals. Your Committee received comments on this measure from the Department of the Attorney General, Department of Health, Drug Policy Forum of Hawai'i, Hawaii Veteran's Cannabis Alliance, and two individuals.

Your Committee finds that chapter 329D, Hawaii Revised Statutes, was enacted pursuant to Act 241, Session Laws of Hawaii 2015, to establish medical marijuana dispensaries to ensure access to medical marijuana for qualifying patients. Your Committee further finds that Act 241 required the Department of Health to allow retail dispensing of medical marijuana beginning July 15, 2016, but has only recently authorized a few medical marijuana dispensary licensees to proceed with the planting or cultivation of medical marijuana. The Department has also been unable to guarantee that the dispensary program will be fully implemented in the near future.

Your Committee also finds that a medical marijuana computer tracking system is necessary and intended to ensure the safety of the product, patient, and public, and that other jurisdictions have found it useful to have a pre-determined alternative tracking system to ensure uninterrupted access to medical marijuana during any shutdown of the initial tracking system. However, your Committee also finds that there have been delays with the Department of Health's implementation of a computer tracking system and that the need for a tracking system must be balanced with patients' need to receive their medicine.

As Hawaii expands its medical marijuana program through dispensaries, it is important that discussions continue to ensure that patients have adequate and timely access to medical marijuana. Your Committee finds that the intent of this measure is to refine existing law related to the State's medical marijuana program and implement new aspects that are necessary to promote safe and adequate patient access to medical marijuana. In reviewing this measure, your Committee has taken into consideration testimony submitted, ongoing discussions with stakeholders and the community, as well as industry standards currently in effect in other states.

Your Committee notes that the companion to this measure, S.B. No. 1159, S.D. 1 (Regular Session of 2017), which was previously passed by your Committee, is a substantially similar measure that also addresses issues related to the State's medical marijuana system. Your Committee finds that the language in S.B. No. 1159, S.D. 1, is preferable because it includes more of the items that your Committee finds necessary to be addressed at this time.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 1159, S.D. 1, which is substantially similar except as follows:
 - (A) Limits each location used by a qualifying patient to cultivate marijuana to use by five qualifying patients;
 - (B) Makes the authority of primary caregivers to cultivate marijuana for qualifying patients terminate on December 31, 2020, rather than December 31, 2019;
 - (C) Allows the Department of Health to determine whether existing dispensary licensees shall be allowed to increase plant count, the number of production centers, or the number of retail dispensing locations per license;
 - (D) Makes use of the alternate medical marijuana dispensary tracking system optional instead of mandatory, requires the Department of Health to seek input from medical marijuana licensees about the alternate tracking system, and requires the Department to report to the legislative oversight working group information and recommendations about the alternate tracking system twenty days prior to the convening of the Regular Session of 2018;
 - (E) Requires retention of video security recordings of production centers and dispensaries for not less than 45 days;
 - (F) Requires the Department of Health to include in its established testing standards permission for qualifying patients and primary caregivers to obtain testing services directly from certified laboratories on the island where the qualifying patient and primary caregiver reside; and
 - (G) Contains an effective date of July 1, 2050;
- (2) Reinserting provisions from H.B. No. 1488, H.D. 1, that:
 - (A) Amend the definition of the term “transport” to allow qualifying patients and primary caregivers to directly obtain testing services from certified laboratories on the same island;
 - (B) Require the Department of Health to establish security requirements for the transportation of marijuana and manufactured marijuana products between production centers, retail dispensing locations, qualifying patients, or primary caregivers and a certified laboratory; and
 - (C) Extend the Department of Health’s interim rulemaking authority until July 1, 2020;
- (3) Further amending the definition of the term “transport” to allow qualified patients and primary caregivers to transport up to one gram of medical marijuana for laboratory testing when the qualified patient or primary caregiver:
 - (A) Secures an appointment for testing at a certified laboratory;
 - (B) Obtains confirmation, which may be electronic, that includes the specific time and date of the appointment and a detailed description of the product and amount to be transported to the certified laboratory for the appointment; and
 - (C) Has the confirmation, which may be electronic, available during transport;
- (4) Further amending the retention of video security recordings requirement for production centers and dispensaries to exactly 45 days, rather than not less than 45 days;
- (5) Removing the provisions that established the Office of Medical Marijuana Administration;
- (6) Amending the definition of “adequate supply” of marijuana to include seven marijuana seedlings;
- (7) Amending the definition of “debilitating medical condition” to include lupus, epilepsy, multiple sclerosis, arthritis, and autism as conditions that qualify for the legal use of medical marijuana;
- (8) Inserting language to establish that, when considering whether to award a new medical marijuana dispensary license or allow existing licensees to increase the number of production centers or retail dispensing locations, the Department of Health shall consider the capability of the applicant or licensee to serve a “rural or underserved geographical area” and specifying that a “rural or underserved geographical area” shall be determined by considering the number of registered medical marijuana patients that reside within a certain zip code compared to the quantity of medical marijuana that the closest production center and retail dispensing location are able to provide;
- (9) Updating the purpose section to reflect the amended purpose; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1488, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1488, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1115 (Joint) Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy on H.B. No. 463

The purpose and intent of this measure is to:

- (1) Allow any satellite city hall in any county with a population of more than seven hundred thousand persons to issue Hawaii state identification cards; and
- (2) Require the Director of Transportation in consultation with the examiner of drivers to submit a report to the Legislature prior to the convening of the Regular Session of 2018 on the progress made and findings and recommendations, including any proposed legislation, funding, and equipment needed for implementation.

Your Committees received testimony in support of this measure from the American Civil Liberties Union Hawai'i, Community Alliance, and three individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation.

Your Committees find that many citizens, especially children and the elderly, do not have drivers' licenses, yet often need state identification cards. Consequently, it is important to remove barriers that limit citizens' access to obtaining state identification cards. Allowing satellite city halls to issue state identification cards will provide additional and convenient locations for citizens to obtain needed state identification cards and will reduce travel times, waits, and other stresses that are common at other state identification card issuing locations.

Your Committees, however, note the concerns raised by the Department of Transportation relative to the potential additional costs associated with providing state identification cards at satellite city halls. Your Committees suggest that if your Committees on Judiciary and Labor and Ways and Means decide to hear this measure, that the Department of Transportation work with those Committees to provide cost estimates for expanding the issuance of state identification cards to satellite city halls.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 463, H.D. 1, and recommend that it pass Second Reading and be referred to your 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, 3. Noes, none. Excused, 2 (Ihara, Wakai).

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1116 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 845

The purpose and intent of this measure is to require the Department of Public Safety, in collaboration with county and state agencies, to issue civil identification cards to inmates and to assist inmates in obtaining other important government documents, including a social security card, or birth certificate, necessary for successful reentry into society.

Your Committee received testimony in support of this measure from the Department of Health; Department of Public Safety; Hawaii State Commission on the Status of Women; Judiciary, State of Hawai'i; Americans for Democratic Action Hawai'i; CHOW Project; Community Alliance on Prisons; Hawaii Appleseed Center for Law & Economic Justice; Hawaii Women's Coalition; YWCA O'ahu; and nine individuals.

Your Committee finds that helping inmates transition back into everyday life is a vital component of successful inmate rehabilitation. One of the problems inmates encounter is that they are incarcerated for long periods and often lose important government documents pertaining to their identities. Upon release, the lack of necessary government-issued identification documents, such as a social security card, birth certificate, or civil identification card, can prevent a former inmate from being able to successfully transition back into society. Therefore, it is necessary to establish guidelines requiring the Department of Public Safety to work with appropriate federal, state, and county agencies to assist eligible inmates in obtaining important government documents.

In establishing these guidelines, your Committee notes the testimony of the Community Alliance on Prisons recommending that inmates in work furlough, extended furlough, and community placement programs also benefit from assistance in obtaining important government documents.

Your Committee has amended this measure by requiring the Department of Public Safety to begin the process of assisting inmates released to work furlough, extended furlough, and community placement programs at least ninety days prior to release.

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. 845, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 845, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1117 (Joint) Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health on H.B. No. 1465

The purpose and intent of this measure is to update statutory language on liquor license application and operating procedures to improve consistency and efficiency in liquor licensing and to reflect modern business practices and organizational structures.

Your Committees received testimony in support of this measure from the Department of Liquor Control, County of Kauai; Liquor Commission, City and County of Honolulu; Maui Chamber of Commerce; Maui Hotel & Lodging Association; and three individuals.

Your Committees find that the efficient and equitable treatment of business, particularly in any licensing process, is essential for cultivating a robust economy that benefits the public welfare. Existing statutes relating to liquor licensing are outdated and do not reflect the current business practices in the State. Further, these outdated licensing laws serve as impediments to business and prevent potential economic growth. Accordingly, this measure updates existing liquor licensing statutes to:

- (1) Include member-managed and manager-managed limited liability companies;
- (2) Allow liquor license holders to notify the liquor commission within a set period of time after a change in membership or ownership of the license holding entity instead of before the change;
- (3) Clarify conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure;
- (4) Allow a liquor licensee, with approval from the commission, to have the commission hold a valid liquor license for safekeeping while the licensee is not operating, as an alternative to cancellation of the license; and
- (5) Prohibit the coercion, pressure, or undue influence of a primary decision-maker by a non-primary decision-maker in any decision regarding the purchase or sale of liquor and allows the commission to suspend or cancel the liquor license if such coercion, pressure, or undue influence has occurred.

Your Committees understand the concern raised by the Liquor Commission for the City and County of Honolulu that this measure as written could be interpreted to prevent a non-primary decision-maker from providing proper and appropriate input to a primary decision-maker regarding the purchase and sale of liquor.

Therefore, your Committees have amended this measure by clarifying that a non-primary decision-maker is prohibited from coercing, pressuring, or unduly influencing a primary decision-maker to engage in any unlawful activity relating to the purchase and sale of liquor.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1465, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1465, H.D. 2, S.D. 1, and be referred to your 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 (Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Espero, Kidani, Ruderman).

SCRep. 1118 (Joint) Higher Education and Government Operations on H.B. No. 424

The purpose and intent of this measure is to reinstate and restore full authority to the President of the University of Hawaii to act as the University's chief procurement officer for all procurement contracts under the Hawaii Public Procurement Code.

Your Committees received testimony in support of this measure from the University of Hawai'i System, State Procurement Office, and University of Hawaii Professional Assembly.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which amended this measure by:

- (1) Inserting language to require that, upon expiration of the current terms of the two at-large members of the Board of Regents of the University of Hawaii, two members of the Board must be faculty members, one of which must be faculty at one of the University of Hawaii's community colleges and the other of which must be faculty at the University of Hawaii at Manoa, University of Hawaii at Hilo, or University of Hawaii West Oahu; provided that the two faculty members may not be faculty at campuses in the same county;
- (2) Inserting a provision to prohibit the University of Hawaii Board of Regents from increasing tuition fees; and
- (3) Requiring the University of Hawaii to submit a report to the Legislature prior to the Regular Session of 2018 with an analysis of whether tuition increases are helping address the University's repair and maintenance backlog.

Your Committees received testimony in support of the proposed S.D. 1 from the University of Hawaii Professional Assembly and nine individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the University of Hawai'i System.

Your Committees find that historically, the President of the University of Hawaii has had the authority of a chief procurement officer for the University for construction contracts, but Act 87, Session Laws of Hawaii 2013, removed this authority from the President and transferred authority over those contracts to the State Procurement Office. Your Committees received testimony from the University of Hawaii that this bifurcation of the University's procurement system, depending on whether the procurement involves construction or construction related professional services, further complicates an already difficult job and requires additional coordination with the Department of Accounting and General Services. Your Committees note that the State Procurement Office issued its report to the Legislature in January 2016, as required by Act 87, which concluded that the University is conducting construction procurements in a compliant, efficient, and transparent manner. The report also mentioned several university specific procedures as best practices.

Your Committees further find that continually rising tuition rates are making higher education increasingly cost prohibitive. More specifically, your Committees find that the tuition schedule established by the Board of Regents of the University of Hawaii has created an unreasonable increase in the cost of attendance at Hawaii's sole public university system. Your Committees note that tuition costs have been consistently and significantly on the rise, having risen over six hundred percent for resident and non-resident students since 1995. These onerous tuition costs place an undue financial burden on students and their families.

Finally, your Committees find that the University of Hawaii has not demonstrated a commitment to shared governance, and that a growing disconnect exists at the University between faculty and the administration. Your Committees are concerned that faculty at the University do not have sufficient opportunity to express their ideas or concerns to University administration, and that there is a lack of accountability for actions taken by the Board of Regents that affect the institution's valued faculty members and, subsequently, the students.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting the language that required the two existing at-large members of the University of Hawaii Board of Regents to be faculty members;
- (2) Inserting language to add two ex officio nonvoting members to the University of Hawaii Board of Regents who must be faculty at the University and setting forth when names for these positions must be presented to the Governor, as well by when the Governor must make the nominations; 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 Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 424, H.D. 1, as amended herein, and recommend 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

SCRep. 1119 Higher Education on H.B. No. 425

The purpose and intent of this measure is to facilitate the University of Hawaii's contribution to research commercialization and economic development by specifying that certain sections of the State Code of Ethics do not apply to technology transfer activities sponsored by the University.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Hawaii Venture Capital Association, Sultan Ventures, XLR8UH, Hawaii Business Roundtable, and Chamber of Commerce Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii State Ethics Commission and Common Cause Hawaii.

Your Committee finds that the commercialization of intellectual property created by basic and applied research at the University of Hawaii greatly benefits the State by diversifying employment opportunities, creating a more robust innovation sector, introducing better performing products, and providing a potential economic return on the public resources committed to the University. Your Committee further finds that supporting contributions by the University of Hawaii to the economic health and diversification of the State is a matter of statewide concern.

Your Committee heard testimony from the University of Hawaii that the current uncertainty surrounding the application of the State Ethics Code to individual technology transfer activities at the University deters potential financial partners. However, your Committee also heard the concerns of the Hawaii State Ethics Commission that exempting a broad category of activities from the State Ethics Code would set a dangerous precedent and take away from the strength inherent in a uniform ethics code.

Your Committee has requested that the University of Hawaii submit to your Committee on Higher Education the current Board of Regents policies and procedures that comprise the University's regulatory framework for technology transfer activities. Your Committee recognizes the complexities in determining the best oversight for technology transfer activities at the University of Hawaii, but is willing to further the discussion on this measure in hopes that a reasonable resolution can be reached.

Your Committee has amended this measure by:

- (1) Requiring the University of Hawaii to submit a report regarding technology transfer activities to the Legislature every year instead of in odd-numbered years only;
- (2) Inserting language that repeals this measure on June 30, 2022; 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. 425, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 425, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Taniguchi).

SCRep. 1120 (Joint) Higher Education and Agriculture and Environment on H.B. No. 427

The purpose and intent of this measure is to preserve dark night skies in Hawaii by establishing a Dark Night Skies Protection Advisory Committee.

Your Committees received testimony in support of this measure from the University of Hawai'i System; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Office of Hawaiian Affairs; Conservation Council for Hawai'i; and one individual. Your Committees received comments on this measure from the Department of Transportation, Land Use Commission, Office of the Mayor of the County of Hawai'i, Land Use Research Foundation of Hawai'i, and one individual.

Your Committees find that dark night skies hold important cultural, scientific, astronomical, natural, landscape, and tourism-related value. Your Committees further find that light pollution, caused by inappropriate use of lighting at night, interferes with dark night sky activities and the nighttime activities of certain animal and insect species. Your Committees also find that nighttime illumination of state highways, harbors, airports, and other facilities is costly and consumes large amounts of energy. Your Committees recognize that light pollution is a statewide issue that requires the cooperation of state and county agencies to develop and implement a strategy to reduce nighttime light pollution to help preserve Hawaii's dark night skies for astronomy, endangered species, human health, and reduced energy consumption.

Your Committees have amended this measure by:

- (1) Removing the member of the Land Use Commission from the Advisory Committee;
- (2) Making the measure effective upon its approval; 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 Higher Education and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 427, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 427, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

SCRep. 1121 (Joint) Higher Education and Commerce, Consumer Protection, and Health on H.B. No. 428

The purpose and intent of this measure is to support physician workforce assessment and planning to recruit and retain physicians in rural and medically underserved areas by allowing the John A. Burns School of Medicine to continue receiving a portion of the physician workforce assessment fee.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, University of Hawai'i System, Office of the Mayor of the County of Hawai'i, The Queen's Health Systems, Kaiser Permanente Hawaii, AlohaCare, Hawai'i Pacific Health, Hawaii Area Health Education Center, Hawai'i Academy of Family Physicians, Lāna'i Community Health Center, International Longshore and Warehouse Union Local 142 Hawaii, Big Island Toyota, and eleven individuals. Your Committees received comments on this measure from the Hawaii Medical Board.

Your Committees find that Hawaii has a shortage of over five hundred doctors. In addition to this shortage, Hawaii has the fifth oldest physician workforce in the country. Your Committees further find that access to quality healthcare requires supporting the recruitment and retention of healthcare professionals, especially in rural, remote, and underserved areas.

Your Committees recognize the valuable accomplishments that the physician workforce assessment project has assisted with in recent years, including malpractice reform, continuing education, loan repayment to physicians working in areas of need, and advertising of all open positions in Hawaii to graduates in healthcare professions. Future efforts of the program include state-matched loan relief to new providers in the areas of highest unmet need, promotion of Hawaii careers at mainland conferences, providing bonuses for providers practicing in underserved areas, and the formation of an office of rural training to promote practice in underserved areas. Your Committees find that the physician workforce assessment fee costs Hawaii physicians \$60 every other year and will allow the State to act rapidly when concrete solutions are identified to continue addressing the physician workforce shortage in the State.

As affirmed by the records of votes of the members of your Committees on Higher Education and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 428, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Kidani).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

SCRep. 1122 (Joint) Higher Education and Agriculture and Environment and Water and Land on H.B. No. 450

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to study the effects of sunscreen on coral reefs in Hawaii waters and submit reports to the Legislature.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Department of Health, Humane Society of the United States, For the Fishes, and nine individuals. Your Committees received comments on this measure from the Office of the Mayor of the County of Hawai'i.

Your Committees find that coral reefs in Hawaii waters are increasingly exposed to impacts from human use and in some places are degrading as a result. Studies from around the world have highlighted the detrimental impact of chemicals in sunscreen products on coral health and reproduction. Your Committees further find that no studies have been conducted to explore the impact of sunscreen products on Hawaiian coral reefs that see heavy tourist traffic and measurable concentrations of sunscreen chemicals. This measure will allocate resources to the University of Hawaii to study and report on the effects of sunscreen used by ocean users on coral reefs located in Hawaii waters and make recommendations, if necessary, for mitigating these impacts.

Your Committees note that the appropriation in this measure is blank. Your Committees have requested the University of Hawaii to provide your Committees with an estimated cost to study the effects of sunscreen on coral reefs in Hawaii waters.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2017; 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 Higher Education, Agriculture 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. 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 your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Kidani).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Water and Land: Ayes, 5. Noes, none. Excused, none.

SCRep. 1123 Higher Education on H.B. No. 480

The purpose and intent of this measure is to support the Hawaii Community College agriculture program and the University of Hawaii at Hilo's agricultural farm by appropriating funds for one full-time farm coordinator position and for equipment for the Hawaii Community College's agriculture program.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Department of Agriculture, and Hawai'i Farm Bureau.

Your Committee finds that student interest in the Hawaii Community College agriculture program has grown in recent years and the program averages around thirty majors each year. The program prepares students for employment in government service, agribusiness, horticulture, livestock, flowers and foliage, landscape, macadamia nuts, papaya, and coffee industries. Your Committee notes that, currently, production at the University of Hawaii at Hilo's agricultural farm, which serves as a live instructional laboratory for Hawaii Community College and University of Hawaii at Hilo students, is unable to meet demand.

Your Committee further finds that the Island of Hawaii could be a strong agricultural contributor to the State and help Hawaii increase its self-sufficiency and sustainability efforts. In addition to other potential agriculture benefits, the Island of Hawaii offers nutrient rich soil, a tropical climate, and an abundance of affordable land. Your Committee additionally finds that while fostering a new generation of agriculturalists, it is important that the State ensure public resources are being used for efficient and collaborative efforts that support a holistic view of agriculture for the Island of Hawaii.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the appropriation for the hiring of a farm coordinator to support the instructional activities of the Hawaii Community College;
- (2) Inserting a blank appropriation amount for the Hawaii Community College and University of Hawaii at Hilo, in collaboration with the Department of Agriculture and the Agribusiness Development Corporation, to study the following:
 - (A) Areas in which the agriculture programs at Hawaii Community College and the University of Hawaii at Hilo can collaborate to maximize resource efficiency and minimize redundancy;
 - (B) New agriculture opportunities on the Island of Hawaii; and
 - (C) The development of a holistic approach to the growth of agriculture and agricultural learning opportunities on the Island of Hawaii;
- (3) Inserting language requiring the Hawaii Community College to submit a report to the Legislature prior to the convening of the Regular Session of 2018;
- (4) Deleting the appropriation to the Hawaii Community College for equipment for its agriculture program; 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 H.B. No. 480, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 480, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1124 (Joint) Higher Education and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 571

The purpose and intent of this measure is to support public education on emergency management and disaster preparedness by appropriating funds for the University of Hawaii sea grant college program to:

- (1) Develop a communication strategy and outreach plan for emergency management and disaster preparedness;
- (2) Update and publish the fourth edition of the *Homeowner's Handbook to Prepare for Natural Hazards*; and
- (3) Conduct a systematic and targeted education and outreach initiative throughout the State for emergency management and disaster preparedness.

Your Committees received testimony in support of this measure from the University of Hawai'i System; Hawaii Emergency Management Agency; Department of Emergency Management, City and County of Honolulu; Kaua'i Emergency Management Agency; Hawaiian Electric Company, Inc.; Island Preparedness Group; Maritime Group, LLC; and four individuals. Your Committees received comments on this measure from the Disability and Communications Access Board.

Your Committees find that in 1982, Hurricane 'Iwa caused \$320,000,000 in damages on Kauai, and in 1992, Hurricane Iniki caused \$1,800,000,000 in damages and destroyed or damaged 7,000 homes. An assessment by the Federal Emergency Management Agency indicates that a strike similar to Iniki on Oahu could be eight times more damaging. Your Committees further find that Hawaii saw a record number of hurricane warnings and misses in 2014, 2015, and 2016, and it is in the public interest to take stronger action to prepare for potential natural disasters.

Your Committees additionally find that the University of Hawaii sea grant college program is well positioned to help educate the public on emergency management and disaster preparedness. The program has demonstrated success through its publication of the *Homeowner's Handbook to Prepare for Natural Hazards* that provides useful tips regarding readiness for natural hazards that may affect Hawaii such as tsunamis and hurricanes. The publication provides guidance on evacuation planning and explains various measures to reduce property damage through home retrofit.

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 H.B. No. 571, H.D. 1, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Kidani).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

SCRep. 1125 (Joint) Higher Education and Water and Land on H.B. No. 588

The purpose and intent of this measure is to appropriate funds to maintain the initial staff necessary to develop and manage He'eia estuary.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; University of Hawai'i System; Office of Planning; Hawaii Community Development Authority; Ko'olau Foundation; Ko'olaupoko Hawaiian Civic Club; Democratic Party of Hawaii, Hawaiian Affairs Caucus; Nature Conservancy Hawai'i; Kamehameha Schools; and seventeen individuals.

Your Committees find that the State has coordinated with the National Oceanic and Atmospheric Administration (NOAA) to nominate He'eia estuary as a National Estuarine Research Reserve. The site, located on Oahu's windward shore, includes He'eia State Park, He'eia fishpond, and the He'eia community development district, as well as marine waters with patch and fringing reefs and Moku o Lo'e (Coconut Island). In 2012, the Office of Planning was designated as the lead agency to coordinate the selection for a Hawai'i site and the nomination process for He'eia to be designated as a National Estuarine Research Reserve. In 2014, He'eia was officially nominated as a Reserve to support NOAA's policy to encourage expansion of the program in unrepresented areas of the country.

On January 19, 2017, the He'eia site was officially designated as the twenty-ninth site in the National Estuarine Research Reserve System, which enables federal funding to support the implementation of the management plan. Your Committees find that the He'eia site uniquely brings together community and science; federal, state, and local efforts; and modern science and traditional knowledge aimed at implementing and understanding how restoration efforts in the He'eia wetland influence the health of the adjacent estuarine ecosystem.

Your Committees have amended this measure by:

- (1) Updating the purpose section to reflect current information as provided by the Office of Planning;
- (2) Inserting an appropriation amount of \$400,000 for the hiring of four full-time equivalent (4.00 FTE) permanent positions within the University of Hawaii to maintain the initial staff necessary to develop and manage He'eia estuary;
- (3) Inserting an effective date of July 1, 2017; 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 Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 588, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 588, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Kidani).

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1126 (Joint) Higher Education and Economic Development, Tourism, and Technology on H.B. No. 598

The purpose and intent of this measure is to authorize and provide funds for the University of Hawaii to participate in, and contribute funding for, the development of a Hawaii cyber ecosystem and for other related aspects of cyber security.

Your Committees received testimony in support of this measure from the Department of Education, Office of Enterprise Technology Services, Chamber of Commerce Hawaii, Referentia Systems Inc., and one individual.

Your Committees find that many areas are vulnerable to cyber threats, including critical energy, telecommunication, and water infrastructure, as well as financial, tourism, military, and other important public and private industries. Your Committees further find that cyber security is a matter of statewide concern and the State needs to develop a cyber ecosystem that includes collaboration between private companies, nonprofit organizations, government, and individuals. Your Committees also find that cyber security is particularly important in the areas of economic development, innovation, education, workforce development, readiness, and resilience. This measure will provide resources to help protect Hawaii from cyber threats.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 598, H.D. 2, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Thielen).

SCRep. 1127 (Joint) Higher Education and Transportation and Energy on H.B. No. 794

The purpose and intent of this measure is to fund energy conservation measures to reduce the University of Hawaii's energy consumption and costs by:

- (1) Establishing the University of Hawaii green special fund; and
- (2) Requiring the University to submit an annual report to the Legislature with information about the monies in the special fund.

Your Committees received testimony in support of this measure from the University of Hawai'i System, Ulupono Initiative, and one individual. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that green revolving funds are common at many college and university campuses across the country that are dedicated to addressing sustainable facilities, operations, and behaviors. According to the Association for the Advancement of Sustainability in Higher Education, at least eighty-five universities have such funds as part of their sustainability programs. Your Committees further find that green revolving funds are typically managed by the university to fund energy-efficient projects, reduce resource use, and other sustainable efforts that repay the fund either through savings realized by the project or other sources of income.

Your Committees additionally find that the University of Hawaii has established the Office of Energy Management to, among other efforts, address the high energy consumption across all ten university campuses. The University has indicated that a green special fund is necessary to support multiple methods of financing and the repayment of debt service from special funds, private donations, and energy rebates.

Your Committees have amended this measure by:

- (1) Removing appropriations made by the Legislature as a source of funds for the University of Hawaii green special fund;
- (2) Adding as a source of funds for the University of Hawaii green special fund:
 - (A) Capital appropriations for energy conservation measures;
 - (B) Funds from special and revolving funds for energy conservation measures projects at the University of Hawaii; provided that this source of funding will only be available until June 30, 2020; and
 - (C) Proceeds from University of Hawaii revenue bonds;
- (3) Inserting language authorizing the Chief Financial Officer of the University of Hawaii to manage the University of Hawaii green special fund and garner monetary savings realized from campus energy conservation measures projects;
- (4) Inserting an appropriation of \$10,000,000 of general revenues to the University of Hawaii for energy efficiency, renewable energy, and sustainability projects and services that may be funded by the special fund;
- (5) Inserting an effective date of July 1, 2017; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 794, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 794, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Kidani).

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1128 (Joint) Higher Education and Economic Development, Tourism, and Technology on H.B. No. 847

The purpose and intent of this measure is to establish the innovation and commercialization initiative program to expressly grant the University of Hawaii the authority to enable and facilitate the deployment of university educational and instructional resources, university managerial and fiscal resources, and university personnel to promote the economic health and diversification of workforce opportunities through the commercialization of inventions and discoveries generated by or at the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawai'i System, High Technology Development Corporation, University of Hawaii Professional Assembly, Chamber of Commerce Hawaii, Hawaii Business Roundtable, and one individual. Your Committees received testimony in opposition to this measure from the State Procurement Office and Common Cause Hawaii. Your Committees received comments on this measure from the Office of Information Practices, Hawaii State Ethics Commission, and Society of Professional Journalists Hawaii Chapter.

Your Committees find that the Legislature has a history of authorizing and providing funds to support efforts by state agencies to promote entrepreneurial development, support research commercialization, and provide access to startup investment capital. Commercialization contributes to a more diverse workforce in the State which benefits the public by promoting a robust and dynamic economy.

Your Committees additionally find that the University of Hawaii is a research and teaching institution with the unique ability to identify promising innovations and new discoveries arising from university research. In order to remain competitive with its peers, the University of Hawaii must develop its capacity to encourage technology transfer and commercialize its intellectual property. Your

Committees find that this measure will support the University's technology transfer programs by allowing the University to undertake commercialization activity with greater legal certainty and clarity.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 847, H.D. 1, and recommend that it pass Second Reading and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Thielen).

SCRep. 1129 (Joint) Higher Education and Transportation and Energy on H.B. No. 848

The purpose and intent of this measure is to authorize, encourage, and facilitate the development and use of microgrids at the various campuses and facilities operated by the University of Hawaii by exempting microgrids that promote and serve public higher education institutions from regulation as a public utility by the Public Utilities Commission.

Your Committees received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Hilo, University of Hawai'i West Oahu, Americans for Democratic Action, Energy Research Systems, Sierra Club of Hawai'i, and three individuals. Your Committees received testimony in opposition to this measure from Hawaiian Electric Company, Inc.; International Brotherhood of Electrical Workers Local Union 1260; Chamber of Commerce Hawaii; Graham Builders; and Land Use Research Foundation of Hawaii. Your Committees received comments on this measure from the Public Utilities Commission, Department of Commerce and Consumer Affairs, Life of the Land, and Hawaii Energy Policy Forum.

Your Committees support the advancement of renewable energy and energy efficiency in Hawaii, and recognize that microgrids are an increasingly utilized technology that can help expand the use of clean energy in the State. Microgrids can facilitate the achievement of Hawaii's clean energy policies by enabling the integration of higher levels of renewable energy and advanced distributed energy resources, including energy storage and demand response.

Your Committees find that the University of Hawaii needs to develop large-scale renewable energy projects to benefit students, the community, and to successfully achieve the State's goal of one hundred percent clean energy by 2045. Your Committees acknowledge the significant amount that the University expends each year for electricity, and that this measure would improve the University's ability to pursue renewable energy projects. However, your Committees heard concerns about this measure, including that exempting certain microgrids from regulation by the Public Utilities Commission would leave unsettled important issues such as the establishment of reasonable rates and minimum standards for interconnection and reliability. While your Committees appreciate the need for microgrids and the advancement of energy efficiency efforts at the University of Hawaii, your Committees have concerns about the scope of this measure and the unresolved issues surrounding wheeling, rates, and regulation.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the University of Hawaii to develop a microgrid plan for one demonstration project at any property owned, leased, or controlled by the University and authorizing the University to select the location for the project;
- (2) Requiring the University of Hawaii to submit a report on the microgrid project to the Legislature prior to the Regular Session of 2018;
- (3) Removing provisions that:
 - (A) Authorized the University of Hawaii to establish one or more microgrid projects at any properties owned, leased, or controlled by the University;
 - (B) Exempted microgrids that promote and serve public higher education institutions from regulation as a public utility by the Public Utilities Commission; and
 - (C) Defined the term "microgrid";
- (4) Updating the purpose section; 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 Higher Education and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 848, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 848, H.D. 2, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Kidani).

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1130 Higher Education on H.B. No. 850

The purpose and intent of this measure is to repeal the University of Hawaii's obligation to prepare certain specified annual reports.

Your Committee received testimony in support of this measure from the University of Hawai'i System.

Your Committee finds that the University of Hawaii is required to provide various reports to the Legislature. Your Committee further finds that some of the required reports have become either unworkable or obsolete. Specifically, the annual reports on the Nursing Scholars Program and Construction Academy are no longer necessary because the programs are well established and have not had any additional information to provide to the Legislature in many years. In addition, the reporting requirements for the Hawaii

Health Corps Program and Hawaii P-20 Partnerships for Education Initiative are not feasible because the programs have not received sufficient funding to fulfill the Legislature's requirements.

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. 850, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1131 (Joint) Higher Education and Economic Development, Tourism, and Technology on H.B. No. 909

The purpose and intent of this measure is to establish and appropriate funds for a Center for Commercialization at the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawai'i System and Chamber of Commerce Hawaii.

Your Committees find that the Hawaii Innovation Initiative is a partnership between the University of Hawaii and local businesses to diversify the State's economy by building a thriving innovation, research, education, and training enterprise fueled by the University's plans to commercialize its research. Your Committees further find that it is a matter of statewide concern to support the University of Hawaii's contributions to the economic health and diversification of the State by allowing the University to commercialize the intellectual property created by research at the University in a timely and efficient manner. Your Committees note that this measure establishes the Center of Commercialization which will encompass grant development, commercialization, and innovation related programs to increase efficiencies and effectiveness that will foster a vibrant entrepreneurial ecosystem at the University of Hawaii.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 909, H.D. 2, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Thielen).

SCRep. 1132 (Joint) Commerce, Consumer Protection, and Health and Human Services on H.B. No. 607

The purpose and intent of this measure is to support the increasing elderly population in Hawaii and their caregivers by:

- (1) Requiring the Executive Office on Aging to establish the Kupuna Caregivers Program to assist community members in obtaining care for elders while remaining in the workforce;
- (2) Clarifying the kupuna services and supports provided by Area Agencies on Aging within the Kupuna Care Program and making establishment of the Kupuna Care Program mandatory; and
- (3) Appropriating funds for the establishment and implementation of the Kupuna Caregivers Program.

Your Committees received testimony in support of this measure from the Executive Office on Aging; Democratic Party of Hawai'i; Hawai'i State Democratic Women's Caucus; Maui County Office on Aging; International Longshore and Warehouse Union Local 142 Hawaii; Mental Health America of Hawai'i; Alzheimer's Association, Aloha Chapter; American Congress of Obstetricians and Gynecologists, Hawaii Section; Policy Advisory Board for Elder Affairs; Hawai'i Appleseed Center for Law and Economic Justice; Caring Across Generations; Healthcare Association of Hawaii; Hawai'i Pacific Health; Faith Action for Community Equity; Lanakila Pacific; and seventeen individuals. Your Committees received comments on this measure from Catholic Charities Hawai'i.

Your Committees find that Hawaii's aging population continues to grow, and along with it the need for long-term services and supports becomes more critical. The State's population of individuals age sixty-five and older is projected to rise to 19.4 percent of the population by 2020 and 23 percent of the population by 2030.

Your Committees further find that family caregivers play a vital role in the State's healthcare system by providing long-term care to kupuna so that kupuna can age at home instead of in a long-term care facility, which is often more costly. Your Committees additionally find that it is common for children to return home to care for their aging parents and abandon careers in the process. Hawaii's family caregivers are invaluable, yet they are at risk for mental health issues due to the burden that caregiving places on families. Your Committees note that government agencies, community organizations, and the public are all in strong agreement that family caregivers need support and respite in order to continue the critical role they play in helping others and the State by caring for Hawaii's seniors.

Your Committees have amended this measure by:

- (1) Adding language to the purpose section to indicate that the intent of the Legislature is for the Kupuna Caregivers Program to be established regardless of the availability of state funding so that area agencies on aging are able to take advantage of other monies that may be accessible;
- (2) Combining the definitions from the Kupuna Care Program section and the Kupuna Caregivers Program section of the Hawaii Revised Statutes into a stand-alone definition section for clarity and consistency;
- (3) Amending the definition of the term "attendant care" by including certain verbal prompts and deleting language that specifically excluded guiding a participant's limbs or implements to assist with feeding or dressing;

- (4) Deleting from the definition of the term “respite care” a reference to the Older Americans Act as well as summer camps for grandparents caring for children;
- (5) Replacing references to the term “voucher” with the phrase “allocation of funds” or “allocated funds”;
- (6) Retaining the mandatory establishment of the Kupuna Caregivers Program, regardless of the availability of state funding, but making the award of allocations of funds under the Kupuna Caregivers Program subject to the availability of funding;
- (7) Adding assisted transportation to the list of services covered by the Kupuna Caregivers Program;
- (8) Replacing references to the terms “participant”, “individual”, and “qualified individual” with “care recipient”;
- (9) Making the establishment of rules by the Director of Health for the Kupuna Care Program discretionary rather than mandatory;
- (10) Inserting a provision to indicate that until rules pertaining to the Kupuna Caregivers Program are adopted by the Director of Health, should the Director of Health choose to do so, the existing rules pertaining to the Kupuna Care Program may be used as guidance for the Kupuna Caregivers Program; 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 Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 607, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 607, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Espero, Kidani).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1133 (Joint) Education and Water and Land on H.B. No. 116

The purpose and intent of this measure is to require the City and County of Honolulu to transfer to the Department of Land and Natural Resources all property upon which a public school is situated.

Your Committees received testimony in support of this measure from the Department of Education, Building Industry Association of Hawaii, and Chamber of Commerce Hawaii. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources, Office of the Mayor of the City and County of Honolulu, and Department of Parks and Recreation of the City and County of Honolulu. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that the Department of Education has managed county school lands throughout the State since 1965. Your Committees further find that many public schools in Hawaii require extensive renovation or rebuilding, and that this process is unnecessarily complicated by having state schools on county land, or situated on both county and state land. Your Committees additionally find that transferring a fee simple interest for county school lands to the State will greatly simplify the process of undertaking much needed repairs and renovations. Your Committees also find that an extension of the pilot program for the lease of public school land established by Act 155, Session Laws of Hawaii 2013, would further facilitate the updating of Hawaii’s public schools.

Your Committees have amended this measure by:

- (1) Inserting a purpose section to provide historical context;
- (2) Removing language relating to the method of conveyance of the properties and instead requiring the City and County of Honolulu to prepare, execute, and record a quitclaim deed for each parcel of property to be transferred;
- (3) Appropriating monies in a blank amount as a grant-in-aid to the City and County of Honolulu for costs associated with preparing, executing, and recording the quitclaim deeds;
- (4) Requiring the Department of Land and Natural Resources to divide any parcels of property that contain parks as part of the parcel to separate the parks from the property transferred;
- (5) Requiring the City and County of Honolulu to transfer properties containing high schools and intermediate schools on December 31, 2018, and properties containing elementary schools on December 31, 2019;
- (6) Extending the twenty-first century schools pilot project by an additional five years; 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 Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 116, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 116, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 5. Noes, none. Excused, none.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 1134 (Joint) Education and Transportation and Energy on H.B. No. 190

The purpose and intent of this measure is to require that the Department of Education authorize private flight schools that are physically present in the State, are certified by the Federal Aviation Administration, offer flight instructor certificates, request authorization, and meet other requirements established by the rules of the Department.

Your Committees received testimony in support of this measure from Mauna Loa Helicopters and one individual. Your Committees received testimony in opposition to this measure from the Department of Education.

Your Committees find that flight schools overseen by the Federal Aviation Administration are currently exempt from state oversight and licensing. Your Committees further find that, in order to participate in federal loan programs under Title IV, schools are required to be licensed and authorized by a state agency. This measure will allow flight schools to be authorized by the Department of Education for administrative purposes.

Your Committees note that the issue of private flight school authorization is also addressed in S.B. No. 1286, S.D. 2 (Regular Session of 2017).

As affirmed by the records of votes of the members of your Committees on Education and Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 190, H.D. 3, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Espero).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 1135 (Joint) Education and Commerce, Consumer Protection, and Health on H.B. No. 501

The purpose and intent of this measure is to:

- (1) Expand the national certification incentive program to provide monetary incentives to school psychologists; and
- (2) Authorize continuing bonuses for school psychologists in certain designated schools that improve and no longer carry a certain designation.

Your Committees received testimony in support of this measure from the Hawaii Association of School Psychologists; Hawaii State Teachers Association; Hawaii Government Employees Association, AFSCME Local 152; and four individuals. Your Committees received comments on this measure from the Department of Education.

Your Committees find that highly qualified mental health providers play an important role in schools and help reduce and remove some of the most challenging barriers to student learning. The rigorous training, supervision, and testing required of school psychologists to obtain national certification is comparable to national teacher certification. Your Committees further find that Hawaii's public schools have a low retention rate for school psychologists, and many positions remain vacant for prolonged periods of time. This measure will provide incentives for highly qualified school psychologists to work in Hawaii's public schools.

Your Committees have amended this measure by:

- (1) Allowing teachers to qualify for continuing bonuses when they are employed in certain designated schools that improve and no longer carry a certain designation;
- (2) Clarifying the amount of reimbursement upon completion of the requirements for certification; 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 Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 501, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 501, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Nishihara, Ruderman).

SCRep. 1136 (Joint) Education and Transportation and Energy on H.B. No. 957

The purpose and intent of this measure is to:

- (1) Authorize the Department of Education and Department of Budget and Finance to borrow monies from the Hawaii green infrastructure loan program for heat abatement measures at public schools; and
- (2) Appropriate monies from the general fund of the State to make an initial repayment to the Hawaii green infrastructure special fund.

Your Committees received testimony in support of this measure from the Department of Education, Hawaii State Teachers Association, Hawaii Solar Energy Association, and IMUAlliance. Your Committees received comments on this measure from the Department of Budget and Finance, Public Utilities Commission, and Hawaii Energy Public Forum.

Your Committees find that overheating is a serious and persistent problem in Hawaii's public schools. Your Committees further find that heat abatement in public school classrooms is an important policy goal of the State, and that the Legislature appropriated \$100 million for heat abatement in the Regular Session of 2016. Your Committees additionally find that further heat abatement measures are

necessary to adequately provide an optimal learning environment for the State's students. Your Committees also find that the installation of energy efficient lighting and other fixtures can result in a reduction of waste heat and facilitate heat abatement.

Your Committees note that while the Department of Education may see a reduction in kilowatts/hour usage, there is a possibility for utility costs to increase in the event that energy prices increase in the future, for example through a rise in oil prices or other extraneous factors, resulting in reduced dollar savings despite a reduction in kilowatt/hour consumption.

Your Committees have amended this measure by:

- (1) Broadening the focus of heat abatement measures;
- (2) Specifying an appropriation amount from the Hawaii green infrastructure special fund of \$46,400,000, changing the purpose of the appropriation to financing installation costs for energy efficiency measures related to heat abatement, and changing the expending agency to the Hawaii green infrastructure authority;
- (3) Specifying a loan amount to the Department of Education of \$46,400,000 and removing the Department of Budget and Finance as a borrowing agency;
- (4) Requiring the Department of Education to submit an expenditure plan to the green infrastructure loan program administrator;
- (5) Removing the appropriation for an initial loan payment and instead requiring the Department of Education to begin repaying the loan using savings from reduced utility costs and other savings related to energy efficiency measures;
- (6) Amending the purpose section to more accurately reflect the purpose and intent; 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 Transportation and Energy that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 957, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 957, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Espero).

Transportation and Energy: Ayes, 4. Noes, none. Excused, 1 (Harimoto).

SCRep. 1137 (Joint) Education and Agriculture and Environment on H.B. No. 1577

The purpose and intent of this measure is to establish a composting pilot project in Department of Education schools.

Your Committees received testimony in support of this measure from the Department of Education, Kōkua Hawai'i Foundation, Surfriider Foundation Oahu Chapter, Hawaii Center for Food Safety, and seven individuals. Your Committees received comments on this measure from the Department of the Attorney General and Department of Agriculture.

Your Committees find that composting plays an integral role in food and agricultural sustainability by adding valuable nutrients to the soil. Your Committees further find that existing composting programs in Hawaii's public schools significantly reduce the amount of wet organic waste produced by participating schools that goes into landfills, and fosters leadership skills and environmental awareness in participating students. Your Committees additionally find that providing additional resources to expand composting programs to other public schools is in the interest of Hawaii's public school students and the State.

Your Committees have amended this measure by:

- (1) Removing the chairpersons of House of Representatives and Senate committees from the working group;
- (2) Adding a volunteer member of the community to the working group;
- (3) Establishing the composting grant pilot project working group within the Department of Education instead of the Department of Agriculture;
- (4) Requiring the Department of Education to adopt rules to administer and facilitate the composting grant pilot project; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1577, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1577, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Rhoads).

SCRep. 1138 (Joint) Public Safety, Intergovernmental, and Military Affairs and Economic Development, Tourism, and Technology on H.B. No. 625

The purpose and intent of this measure is to:

- (1) Establish a collocation permitting, application, review and approval process for telecommunications companies proposing to install broadband infrastructure on state or county structures, utility poles, light standards, or buildings; and

- (2) Establish the siting process for the installation of broadband infrastructure on state or county structures, utility poles, light standards, or buildings.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning; Department of Transportation; Chamber of Commerce Hawaii; Hawaiian Electric Company, Inc.; CTIA; Verizon; and one individual. Your Committees received testimony in opposition to this measure from the Airport Concessionaires Committee; Office of the Mayor for the City and County of Honolulu; Mayor, County of Hawaii; Department of Public Works, County of Hawaii; and Charter Communications. Your Committees received comments on this measure from Department of Commerce and Consumer Affairs and Hawaiian Telcom.

Your Committees find that efficient deployment of broadband infrastructure and technology is vital for positioning the State to remain competitive in a global economy. Advanced broadband infrastructure systems offer enhanced educational opportunities, telehealth capacity, safety and civil defense communications, economic competitiveness, consumer privileges, and tourism services. However, to provide all consumers with the benefits of advanced broadband technology, it is important to create a fair and predictable process for the deployment of small wireless facilities and small wireless facilities networks. Accordingly, this measure creates a process for the review and issuance of collocation permit applications for telecommunications companies seeking to install broadband infrastructure on utility poles, buildings, structures, or light standards owned by the State or county for the siting of small wireless facilities and wireless facilities networks.

Your Committees find that it is important for providers to bear the costs of necessary upgrades and the repair of any damage they may cause to state- or county-owned utility poles, light standards, buildings, or structures. Your Committees are concerned that this measure does not go far enough in holding small wireless facilities and small wireless facilities networks providers responsible for damage caused by or upgrades required for the siting of the providers' facilities.

Your Committees also understand the concerns raised by the Airport Concessionaires Committee regarding this measure's potential interference with newly executed concessions contracts with the airports. Consequently, it is important to ensure that this measure will not impact the airports or their contracts.

Your Committees also recognize the many concerns raised by the City and County of Honolulu, including: concerns for public safety; the scope of providers' abilities to place equipment on City-owned utility poles, structures, and light standards; the impacts on public use of rights-of-way; the decommissioning of abandoned wireless facilities; and interference from small wireless facilities with necessary government transmissions.

Accordingly, your Committees have amended this measure by:

- (1) Establishing a new chapter in title 15 of the Hawaii Revised Statutes relating to permits for broadband equipment and micro wireless facilities, and collocation of small wireless facilities and small wireless facilities networks applicable to state and county agencies;
- (2) Limiting the siting of small wireless facilities and small wireless facilities networks to only state-owned or county-owned utility poles, light standards, buildings, and structures;
- (3) Amending the application submission and evaluation requirements and application review process for a permitted use permit for installation of broadband equipment, small wireless facilities, and small wireless facilities networks on state-owned or county-owned utility poles, light standards, buildings, or structures;
- (4) Amending the conditions and restrictions that apply to the collocation of small wireless facilities and small wireless facilities networks on state-owned and county-owned utility poles, light standards, buildings, and structures, including but not limited to:
 - (A) Creating an exception for state-owned airport properties;
 - (B) Allowing the State or county to deny a permit due to health and public safety concerns;
 - (C) Amending the requirements for submitting a consolidated application to receive a single permit for a small wireless facilities network, rather than multiple permits for individual small wireless facilities;
 - (D) Establishing conditions under which a wireless provider may install an upgraded utility pole, light standard, building, or structure and specifying that the provider is responsible for the maintenance and repairs to its facilities on the utility pole, light standard, building, or structure and any damage caused to the utility pole, light standard, building, or structure;
 - (E) Authorizing the State or county to reserve space on its respective light standards and utility poles for up to twelve months under certain conditions; and
 - (F) Requiring wireless providers to decommission, and bear the costs of decommissioning, micro wireless facilities, small wireless facilities, and small wireless facilities network under certain conditions;
- (5) Adding definitions to sections 27-41.1 and 46-15.6, Hawaii Revised Statutes;
- (6) Inserting an effective date of May 22, 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 Public Safety, Intergovernmental, and Military Affairs and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 625, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 625, H.D. 3, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health 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 (Ihara).

Economic Development, Tourism, and Technology: Ayes, 5. Noes, none. Excused, none.

SCRep. 1139 Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1129

The purpose and intent of this measure is to require the Department of Public Safety to develop policy and procedures to govern the processing of requests from deputy sheriffs performing special duty and to establish a compensation schedule for law enforcement services provided by deputy sheriffs performing special duty.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Public Safety; Department of Taxation; Office of Elections; Stadium Authority; University of Hawai‘i; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and three individuals.

Your Committee finds that the performance of special duty by deputy sheriffs is common and helps promote and maintain public safety. Special duty refers to jobs done by deputy sheriffs in a law enforcement capacity for governmental, community, and private events that are not under the direction of the Department of Public Safety. While deputy sheriffs regularly engage in special duty assignments, existing law does not authorize special duty. Therefore, there is no system in place for the Department of Public Safety to process special duty requests, nor is there a compensation schedule for special duty. Accordingly, this measure requires the Department of Public Safety to develop policy and procedures to govern the processing of special duty requests and establish a compensation schedule for deputy sheriffs performing special duty.

Your Committee also notes concerns about the issue of deputy sheriffs potentially using special duty to “spike”, or inflate, their pension and retirement benefits, which can lead to increased costs for the State. Your Committee suggests that if your Committee on Ways and Means decides to hear this measure, that it may want to further inquire into whether this measure may allow for the “spiking” of pensions or retirement benefits.

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. 1129, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1140 (Joint) Transportation and Energy and Economic Development, Tourism, and Technology on H.B. No. 1044

The purpose and intent of this measure is to replace the Department of Business, Economic Development, and Tourism’s requirements related to the certification, administration, and verification of the renewable fuels production tax credit with a process that requires the taxpayer to submit a certified statement to the Department of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and Department of Taxation. 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 creating a stronger market for renewable fuels is essential for helping the State develop a sustainable clean energy economy. Act 202, Session Laws of Hawaii 2016, established a renewable fuels production tax credit aimed in part at developing a stronger renewable fuels market. Act 202 also required the Department of Business, Economic Development, and Tourism to collect and verify data relating to actual renewable fuels production in the State. However, the Department lacks the necessary expertise and resources to effectively carry out Act 202’s mandates. Therefore, this measure replaces the Department’s requirements associated with the certification, administration, and verification of the renewable fuels production credit with a survey of the renewable fuels production tax credit which will still allow the Department of Business, Economic Development, and Tourism to assess the effectiveness of the tax credit and report its findings to the Governor and Legislature.

Your Committees, however, acknowledge the testimony of the Department of Business, Economic Development, and Tourism requesting that this measure be amended to better align the Department’s existing resources and expertise with this measure’s statutory requirements.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the taxpayer claiming the renewable fuels production tax credit is required to file with the Department of Business, Economic Development, and Tourism an independent, third-party certified statement at the taxpayer’s sole expense;
- (2) Clarifying the information that a taxpayer claiming the renewable fuels production credit is to provide to the Department of Business, Economic Development, and Tourism;
- (3) Clarifying that the \$3,000,000 aggregate cap applies to a calendar year;
- (4) Clarifying the information that the Department of Business, Economic Development, and Tourism is required to make available for public inspection and dissemination pursuant to chapter 92F, Hawaii Revised Statutes; 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 Transportation and Energy and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1044, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1044, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).
Economic Development, Tourism, and Technology: Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1141 (Joint) Transportation and Energy and Commerce, Consumer Protection, and Health on H.B. No. 1593

The purpose and intent of this measure is to:

- (1) Establish and appropriate funds for the clean energy savings jump start program, clean energy savings jump start fund, and energy storage system rebate program; and
- (2) Reduce some oversight over the green infrastructure loan program by eliminating the Public Utilities Commission's approval authority to help expedite loan dispersals from the program.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Green Infrastructure Authority; Healthy Climate Communities; PV Tech; Hawaii Energy Connection; Your Energy, Inc.; Photonworks Engineering; Renewable Energy Action Coalition of Hawaii; Energy Research Systems; Green Charge; Hawaii Energy Consulting, LLC; Distributed Energy Research Council; Sun King Hawaii; Advanced Microgrid Solutions; Stem, Inc.; Hawaii Solar Energy Association; Vivint Solar; Tesla Motors, Inc.; The Alliance for Solar Choice; We Are One, Inc.; Grand Solar Inc.; Solar Services Hawaii, LLP; Green Power Projects, LLC; and twenty-nine individuals. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Ulupono Initiative, Hawaii Energy Policy Forum, and Sust-‘aina-ble Molokai. Your Committees received comments on this measure from the Department of Budget and Finance, State Procurement Office, Public Utilities Commission, Amber Kinetics, and one individual.

Your Committees find that the Hawaii green infrastructure loan program, established by the Legislature in 2013, has not been successful in assisting and supporting the widespread adoption of renewable energy systems in the State. The program has been particularly deficient in assisting low- to middle-income homeowners with the installation of solar photovoltaic equipment, even though that was a primarily intended benefit of the program. Moreover, the cost of the program's administration has far outpaced the small amount of funds actually deployed. Your Committees find that reducing some of the oversight of the program would encourage more rapid deployment of loans in furtherance of the program's intent. In addition, using dormant funds from the Hawaii green infrastructure loan program to create the clean energy savings jump start program will directly assist the State's low- to middle-income homeowners in line with the program's original intent.

However, your Committees acknowledge the testimony the Department of Commerce and Consumer Affairs and the Hawaii Energy Policy Forum regarding the potential high costs and other unintended consequences of the programs as established in this measure. Therefore, it is important to initially limit the funds available for these programs and to provide mechanisms for monitoring their effectiveness and future usefulness.

Your Committees also understand the concerns raised by the Hawaii Green Infrastructure Authority regarding energy storage systems eligible for rebates under the energy storage system rebate program. To ensure that rebates under the program facilitate investment in clean energy technology as intended, rebates for energy storage should only be provided when the eligible energy storage receives energy from a solar photovoltaic system and is connected to a utility grid.

Your Committees also recognize the testimony suggesting an amendment requiring that energy storage systems store electricity within a chemical or mechanical battery, such as flywheel energy storage. Your Committees intend for the clean energy savings jump start program and the energy storage system rebate program to be inclusive of many different technologies. However, your Committees understand that flywheel energy storage may not be connected to a utility grid and may be ineligible under the programs. Your Committees urge the Hawaii Green Infrastructure Authority to monitor flywheel energy storage technology as it develops to determine the appropriateness of its inclusion.

Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of "eligible energy storage system" to clarify that energy storage systems eligible for rebates under the energy storage system rebate program are those systems that receive energy from a solar photovoltaic system; store the energy in chemical or mechanical batteries, such as flywheel energy storage; and are connected to a utility grid;
- (2) Establishing the energy storage system rebate program as a three-year pilot program to operate from January 1, 2018, to December 31, 2020;
- (3) Requiring the Green Infrastructure Authority to submit an annual report to the legislature detailing the energy storage system rebate pilot program's progress and activities, including details of all rebates distributed in accordance with the pilot program, no later than twenty days prior to the convening of each regular session;
- (4) Deleting the repeal of the requirement that the Green Infrastructure Authority submit to the Public Utilities Commission an annual plan, which includes the Authority's projected operation budget for the succeeding fiscal year, for review and approval no later than ninety days prior to the start of each fiscal year;
- (5) Appropriating \$20,000,000 for the clean energy savings jump start program and \$10,000,000 for the energy storage system rebate program; 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 Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1593, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1593, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (English, Harimoto).
Commerce, Consumer Protection, and Health: Ayes, 7. Noes, none. Excused, none.

SCRep. 1142 Education on H.B. No. 672

The purpose and intent of this measure is to:

- (1) Establish the Hawaii keiki: healthy and ready to learn program within the Department of Education;
- (2) Establish a dedicated special fund for the program;
- (3) Establish positions within the Department of Health and Department of Human Services to support the program; and
- (4) Make appropriations to fund student health initiatives.

Your Committee received testimony in support of this measure from the Department of Education, Executive Office on Early Learning, University of Hawaii at Manoa School of Nursing and Dental Hygiene, State Public Charter School Commission, Hawaii State Center for Nursing, Hawaii State Teachers Association, Project Vision Hawaii, Hawaii Medical Service Association, Hawaii Youth Services Network, Hawaii Pacific Health, Kapiolani Child Protection Center, Hui for Excellence in Education, Planned Parenthood Votes Northwest and Hawaii, IMUAlliance, American Organization of Nurse Executives Hawaii, and fifteen individuals. Your Committee received testimony in opposition to this measure from the American Academy of Pediatrics Hawaii Chapter. Your Committee received comments on this measure from the Department of Health, Department of Budget and Finance, and Hawaii Primary Care Association.

Your Committee finds that the Hawaii keiki: healthy and ready to learn program has expanded access to health services for many of the State's students. Your Committee further finds that the partnerships that the Department of Education has formed with other state and private entities have created a foundation upon which an expanded program may be built. Your Committee additionally finds that an expanded program will be able to offer services in new areas of healthcare that students have not previously had access to in Hawaii's schools. This measure will formally establish and expand the Hawaii keiki: healthy and ready to learn program to offer improved access to healthcare to Hawaii's students.

Your Committee has amended this measure by:

- (1) Expanding the Hawaii keiki: healthy and ready to learn program to include pre-kindergarten;
- (2) Adding an appropriation for one full-time equivalent coordinator position within the Department of Education to help plan and coordinate the program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education 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 your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

SCRep. 1143 (Majority) Commerce, Consumer Protection, and Health on H.B. No. 554

The purpose and intent of this measure is to:

- (1) Allow an administrative order to overcome a patient's objection to psychiatric treatment; and
- (2) Establish criteria for treatment over objection and the administrative authorization process for administratively ordering treatment over objection.

Your Committee received testimony in support of this measure from the Department of Health, Department of Public Safety, and The Queen's Health Systems. Your Committee received comments on this measure from one individual.

Your Committee finds that it is important for the initiation of treatment for patients admitted to the Hawaii State Hospital, which is used primarily for forensic commitments, to be expedient in order to address patients' psychiatric symptoms, which often generate a risk of safety to the patient and others. Expedient initiation of treatment will help maintain a safe and secure therapeutic environment for patients and staff, and have a positive impact on patients' length of stay.

Your Committee further finds that the current method to obtain an authorization to provide treatment over a patient's objection is by a judicial hearing. The time between petition and judicial hearing is on average nearly seventeen days but different for each case. Your Committee received testimony from the Department of Public Safety indicating that the slow judicial process can, at times, result in patient decompensation. Your Committee finds that other states have responded to the unpredictability and delay of waiting for court hearings by developing a non-judicial, administrative mechanism to review and authorize requests for treatment over a patient's objection. Your Committee notes the Department of Public Safety's willingness to implement an administrative process similar to the process proposed for the Department of Health in this measure to improve patient care by expediting the initiation of treatment for critically acute patients.

Accordingly, your Committee has amended this measure by:

- (1) Changing the criteria for issuance of a court or administrative order for treatment over objection from the patient being "physically dangerous" to the patient being "imminently dangerous" to self or others and including a definition of the phrase "imminently dangerous to self or others";

- (2) Inserting language to clarify that the safeguards established by the administrative authorization process are due process safeguards for patients;
- (3) Deleting existing language related to involuntary medical treatment criteria for inmate and detainees in the custody of the Department of Public Safety;
- (4) Inserting provisions to authorize a court or administrative order to overcome objection to psychiatric treatment for pretrial detainees and committed persons in the custody of the Department of Public Safety and establish criteria for the administrative authorization process for administratively ordering treatment over objection, including a definition of “imminently dangerous to self or others”; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 554, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 554, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, 1 (Ruderman). Excused, 1 (Ihara).

SCRep. 1144 Commerce, Consumer Protection, and Health on H.B. No. 1245

The purpose and intent of this measure is to:

- (1) Limit liability for volunteers and nonprofit organizations, nonprofit corporations, or other entities that provide volunteers, who maintain or repair cemetery grounds;
- (2) Authorize the Director of Commerce and Consumer Affairs to access the Sunset Memorial Trust Fund to pay for the repair and maintenance of Sunset Memorial Park; and
- (3) Require the Director of Commerce and Consumer Affairs, in consultation with the Comptroller, to develop strategies for the upkeep, repair, and maintenance of Sunset Memorial Park and report to the Legislature.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Friends of Sunset Memorial Park, Pearl City Neighborhood Board, and nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice. Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that Sunset Memorial Park in Pearl City, Oahu, has been neglected for years and has been the subject of numerous complaints from family members who have loved ones buried at the cemetery. Most of these complaints relate to issues surrounding the management and lack of maintenance at Sunset Memorial Park, which has been described as having a damaged mausoleum, sinking graves, and broken, missing, or obscured grave markers that are hidden by overgrown vegetation. Your Committee further finds that Sunset Memorial Park does not have an identified property owner and with very little money to maintain the cemetery, the site has deteriorated to such an extent that it has become a serious public safety hazard. Although family members and volunteers have expressed a strong willingness to assist with the upkeep and maintenance of Sunset Memorial Park, many are concerned about potential liability issues.

Your Committee additionally finds that the Department of Commerce and Consumer Affairs (Department) has been actively working with community members and area legislators to find short- and long-term solutions to the issues affecting Sunset Memorial Park. The Department indicated in testimony before your Committee that it supports this measure’s creation of a special cemetery volunteer liability protection law, which will encourage members of the public who wish to volunteer on Sunset Memorial Park grounds without fear of liability resulting from their charitable activities. However, the Department indicated some concerns relating to a possible state takeover of the park or the utilization of perpetual care funds by the Department, and noted it may be best to focus on solutions that would leave the State’s current private cemetery operator licensing model in place. Your Committee appreciates these concerns and concludes amendments to this measure are necessary.

Your Committee has amended this measure by:

- (1) Removing the requirement for the Director of Commerce and Consumer Affairs to examine all options for repairing and maintaining Sunset Memorial Park, including the feasibility of having the State take ownership of the park;
- (2) Removing language that would have permitted the Director of Commerce and Consumer Affairs to access the Sunset Memorial Trust Fund to address repair and maintenance issues associated with Sunset Memorial Park;
- (3) Updating the purpose section to reflect the amended purpose; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1245, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1245, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 1145 (Joint) Commerce, Consumer Protection, and Health and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 913

The purpose and intent of this measure is to provide benefits for individuals who are or have previous service as a federal, state, or county firefighter in the State and develop cancer. Specifically, this measure:

- (1) Creates a rebuttable presumption that the cancer arose out of and in the course of employment as a firefighter and establishes the presumption in perpetuity following termination of service as a firefighter;
- (2) Provides access to medical coverage for cancer treatment;
- (3) Creates a process separate from the existing workers' compensation system under chapter 386, Hawaii Revised Statutes, to be used to access certain benefits due to lost wages or death due to the cancer; and
- (4) Authorizes the awarding of certain retirement benefits for disability or death due to the cancer if certain conditions are met.

Your Committees received testimony in support of this measure from the State Fire Council, Maui Fire Department, Kauai Fire Department, Office of the Mayor of the County of Hawai'i, State of Hawaii Organization of Police Officers, Hawaii Fire Fighters Association, and two individuals. Your Committees received testimony in opposition to this measure from the Employees' Retirement System. Your Committees received comments on this measure from the Department of Labor and Industrial Relations, Department of Human Resources of the City and County of Honolulu, Hawaii Medical Association, and one individual.

Your Committees find that H.C.R. No. 32, H.D. 1, S.D. 1, Regular Session of 2016, requested the convening of a task force to examine cancer in the firefighting profession. Among other things, the task force found that states nationwide are beginning to provide medical coverage for occupational diseases. For example, Arizona, California, Nevada, North Dakota, and Virginia have legislation that specifically mentions coverage of occupational diseases for firefighters due to the higher risks of contaminant exposure. Your Committees find that providing sufficient medical coverage for firefighters not only ensures that firefighters receive proper medical treatment in a timely manner, but also lessens the impact of emotional toil, financial burdens, and decreased quality of life on the families of firefighters diagnosed with cancer.

Your Committees further find that fire departments are expected to use the best equipment and management practices available, and to be vigilant with obtaining regular medical exams, so that diseases such as cancer are caught early. Efforts at prevention and detection must be a collaboration of individual efforts and the State and counties working to protect and care for the people who keep our communities safe.

Your Committees note that the benefits provided to firefighters in this measure are not an enhanced benefit or a new benefit. Rather, this measure intends to provide firefighters who develop cancer with a way to obtain accelerated access to benefits that is more efficient than applying for workers' compensation and allows firefighters to receive timely, appropriate medical care from healthcare providers who specialize in cancer treatment. Your Committees highlight the data demonstrating that Hawaii's firefighters are at higher risk of cancer and that Hawaii should follow other states across the country that are taking steps to provide benefits that adequately address the risks and conditions that firefighters submit themselves to for the sake of the safety of the community.

Your Committees have amended this measure by adding language to the purpose section to reference studies that demonstrate firefighters have higher rates of disease than the general population, the responsibility of fire departments and fire fighters to obtain medical screenings and develop best practices to detect cancer and other diseases as early as possible, and clarify the intent of this measure.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 913, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 913, H.D. 2, S.D. 1, and be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Espero, Kidani, Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1146 Judiciary and Labor on H.B. No. 4

The purpose and intent of this measure is to require employers to provide a minimum level of paid sick leave, including time for family care, for certain employees.

Your Committee received testimony in support of this measure from the Hawaii State AFL-CIO; International Brotherhood of Electrical Workers Local 1260, AFL-CIO; ILWU Local 142; IOMM & P; LGBT Caucus of the Democratic Party of Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Democratic Party of Hawaii; and eight individuals. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development; City and County of Honolulu Department of Human Resources; Chamber of Commerce Hawaii; Hawaii Food Industry Association; Hawaii Restaurant Association; Retail Merchants of Hawaii; National Federation of Independent Business; Society for Human Resource Management-Hawaii Chapter; Motion Picture Association of America, Inc.; Maui Chamber of Commerce; Maui Hotel & Lodging Association; Duke's Kauai; Duke's Beach House Maui; Duke's Waikiki; Gray, Hong, Nojima, & Associates, Inc.; REI Food Service, LLC d.b.a. Gyotaku Japanese Restaurants; Hula Grill Kaanapali; Hula Grill Waikiki; Kalaheo Coffee Co., Inc.; Keoki's Paradise; Kimo's; Koa Pancake House and Koa Cafe LLC; Leilani's on the Beach; PacRim Marketing Group, Inc.; PRTech, LLC; PVT Land Company Ltd.; Tiki's Grill & Bar; Yogi Kwong Engineers, LLC; YK Drilling, LLC; Egg 'n Things; Fair Wind, Inc.; and one individual. Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Department of Health, Hawaii State Commission on the Status of Women, Policy Advisory Board for Elder Affairs, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Children's Action Network, and Il Gelato Hawaii.

Your Committee finds that employees who presently lack sick leave benefits may work while sick for purposes of diminishing any potential financial hardships or to avoid disciplinary action by an employer, which may exacerbate their illness or place co-workers and the public at risk if their illness is contagious. Your Committee finds that it is in the interest of the health and safety of employees and the public that employees be allotted paid sick leave to care for themselves or family members to promote recovery and mitigate the spread of illnesses.

Your Committee recognizes that, unlike the situation of employees without representation, bargaining between an employer and a labor organization balances wages, benefits, including paid leave provisions, and other items within the scope of negotiations in the employee package covered and made available under a collective bargaining agreement. Therefore, your Committee finds it appropriate that parties who are subject to collective bargaining agreements may waive the paid leave requirements proposed in this measure under terms negotiated under such agreements.

Your Committee has amended this measure by:

- (1) As recommended by the Department of Labor and Industrial Relations:
 - (A) Specifying that paid sick leave is not payable for the period in which the employee is entitled to temporary total disability or temporary partial disability benefits under chapter 386, Hawaii Revised Statutes, or temporary disability insurance benefits under chapter 392, Hawaii Revised Statutes; and
 - (B) Deleting the requirement for the Director of Labor and Industrial Relations to create and make posters available;
- (2) Inserting language to allow parties subject to a collective bargaining agreement to waive the paid sick leave under the terms and conditions of the collective bargaining agreement;
- (3) Inserting an effective date of January 7, 2059, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the Department of Labor and Industrial Relations raised concerns regarding the definition of “employer” and included the December 2015 employment report on reporting units and employment by size of firm in its testimony. Your Committee recommends that consideration be given to the Department’s concerns and that the employment report be referenced when considering the scope of the number of employees to fill in the blanks in this measure as it progresses through the legislative process. Additionally, your Committee recommends that consideration be given to whether the payment of some amount over minimum wage should be the point at which paid sick leave is not required and whether paid sick leave should be considered part of an employee’s compensation.

As affirmed by the record of votes of the members 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. 4, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 4, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1147 Judiciary and Labor on H.B. No. 1022

The purpose and intent of this measure is to appropriate funds 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 \$671,102.09 in appropriations from the general fund to satisfy twelve claims against the State, a total of \$5,552,020.44 in appropriations from the state highway fund to satisfy three claims against the State, and a total of \$116,000.00 in appropriations from the harbor special fund to satisfy one claim against the State. The grand total for the sixteen claims settled in this measure as received by your Committee is \$6,339,122.53. Timely passage of this measure will minimize the State’s obligation to pay interest on those amounts.

Your Committee notes the written testimony submitted by the Department of the Attorney General, which requests the addition of eleven new claims that have been resolved since this measure was introduced. The addition of ten new claims results in a total of \$4,940,309.70 in appropriations needed from the general fund and one new claim totaling \$95,000.00 in appropriations from the state highway fund.

Your Committee has concerns regarding the general fund appropriation amount of \$1,000,000 for *Bridge Aina Le’a v. State of Hawaii Land Use Commission* requested by the Department of the Attorney General and notes that reducing the requested amount to \$1.00 will encourage further discussion as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Adding general fund appropriations for ten claims totaling \$3,940,310.70 and state highway fund appropriation for one claim totaling \$95,000.00, which increases the grand total of appropriations in this measure to \$10,374,433.23 in order to satisfy a total of twenty-seven claims against the State, its officers, or its employees;
- (2) Inserting an effective date of January 7, 2059, 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. 1022, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1022, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1148 (Joint) Water and Land and Commerce, Consumer Protection, and Health on H.B. No. 1304

The purpose and intent of this measure is to:

- (1) Require a permit from the Department of Land and Natural Resources before holding a regatta, marine parade, or surfing contest, unless prior authorization has been secured from the Coast Guard;
- (2) Allow the Department of Land and Natural Resources to assess and collect a fee for processing permits;
- (3) Require permit applications to be submitted no less than forty-five days prior before the start of the proposed event; and
- (4) Require the Department of Land and Natural Resources to approve or deny a permit within thirty days of receiving a completed application or, if the Department does not do so, deem the application to be approved.

Your Committees received testimony in support of this measure from Handsome Bugga Productions, Pailolo SUP Sports LLC, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that regattas, marine parades, and surfing contests are events that promote the State's natural beauty and ocean resources and generate community and international goodwill. Your Committees further find that establishing a permit process as proposed by this measure will encourage responsible planning and preparation of events, and balance the needs and resources of permit applicants and the State in issuing the permits.

Your Committees have amended this measure by:

- (1) Allowing permit applications to be submitted up to one year before the start of a proposed event;
- (2) Clarifying that the Department of Land and Natural Resources shall use its best efforts to approve or deny a permit within thirty days of receiving a completed application;
- (3) Removing the provision that an application is deemed approved if the completed application is not approved or denied within thirty days of submission;
- (4) Requiring the Department of Land and Natural Resources to collect a \$250 deposit that is nonrefundable if an event is cancelled within sixty days of the start of the event;
- (5) Clarifying that the Department of Land and Natural Resources may, rather than shall, adopt rules necessary to effectuate this measure; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1304, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1304, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Water and Land: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).
Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

SCRep. 1149 (Joint) Economic Development, Tourism, and Technology and Water and Land on H.B. No. 1479

The purpose and intent of this measure is to:

- (1) Establish the Hilo Community Economic Development District as a community development district under the Hawaii Community Development Authority (HCDA);
- (2) Establish guidance policies and lease restrictions for the Hilo Community Economic Development District;
- (3) Establish a Hilo community economic revolving fund to collect revenue, income, and receipts of the HCDA for the Hilo Community Economic Development District, to be expended for the District, except for a portion to be transferred to the special land and development fund;
- (4) Subject the measure to any laws that provides for the Office of Hawaiian Affairs' pro rata portion of the public land trust;
- (5) Require the Governor to appoint three voting members to the HCDA to represent the Hilo Community Economic Development District and establish the HCDA members who may be considered in determining quorum and majority for matters affecting the District; and
- (6) Appropriate funds for the establishment and administration of the Hilo Community Economic Development District, including the hiring of staff and operating costs.

Your Committees received testimony in support of this measure from the ILWU Local 142, Hawaii LECET, Hilo Medical Center, Chika Nakano Repair Shop, KIAA, Hawaii Island REALTORS, Hawaii Government Employees Association, and twenty-three individuals. Your Committees received comments on this measure from Department of Budget and Finance and County of Hawaii Planning Department.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which amends this measure by:

- (1) Changing the name of the district to the Hilo Community Economic District (District);
- (2) Amending the boundaries of the District;
- (3) Requiring seven, rather than three, members to be appointed by the Governor as voting members of the HCDA to represent the District and amending the requirements for those members;
- (4) Amending the lease restrictions for the District;
- (5) Amending the portion of revenue, income, and receipts in the Hilo community economic revolving fund to be transferred to the special land and development fund;
- (6) Deleting language that subjected the measure to any laws that provides for the Office of Hawaiian Affairs' pro rata portion of the public land trust;
- (7) Deleting the appropriation;
- (8) Inserting language to require the HCDA to engage in discussions with the County of Hawaii to determine the feasibility of the County of Hawaii assuming redevelopment powers and duties over the lands within the District as a redevelopment area or establishing a special improvement district that encompasses the lands within the District; and
- (9) Inserting a sunset date of the earliest of June 30, 2037; the inclusion of the lands within the District within a redevelopment area; or the establishment of a special improvement district that encompasses the lands within the District.

Your Committees received testimony in support of the proposed S.D. 1 from the University of Hawaii System, Chamber of Commerce Hawaii, and McCully Works. Your Committees received comments on the proposed S.D. 1 from the Department of Land and Natural Resources and Hawaii Community Development Authority.

Your Committees find that the State has a fiduciary duty to manage state lands in the best interests of the public by enhancing state revenues and promoting the social, environmental, and economic well-being of Hawaii's people. As the majority landowner in East Hawaii, the State has an enormous influence on the vision, economic development, and overall success of the East Hawaii community. Your Committees further find that Hilo has the potential for increased growth that can improve workforce and affordable housing, parks and open space, public facilities, and commercial, industrial, and hotel facilities. Your Committees conclude that the establishment of the seven representatives on the HCDA and amendments contained in the proposed S.D. 1 will help support crucial economic growth and development in the Hilo area.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Inserting language to require HCDA, prior to granting or renewing a lease of land within the District that was or is currently leased for a term of sixty-five years in the aggregate, to dispose of the land at public auction, and to allow the relinquishing lessee to bid on the new lease; 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, Tourism, and Technology and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1479, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1479, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Taniguchi).

Water and Land: Ayes, 3; Ayes with Reservations (Inouye). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1150 (Joint) Economic Development, Tourism, and Technology and Water and Land on H.B. No. 1469

The purpose and intent of this measure is to authorize the Legislature to designate areas of commercial, industrial, resort, and hotel parcels in need of revitalization and to establish guidelines and planning committees for the redevelopment of those parcels.

Your Committees received testimony in support of this measure from Hawaii LECET; Hawaii Electric Light Company; KIAA; HPM Building Supply; Big Island Toyota, Inc./De Luz Chevrolet; and eight individuals. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs, Hawaii Advocates for Consumer Rights, Life of the Land, Common Cause Hawaii, Sierra Club of Hawaii, and ten individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Budget and Finance, Hawaii Tourism Authority, County of Hawaii Planning Department, and one individual.

Your Committees find that among the classes of public lands managed by the Department of Land and Natural Resources are commercial, industrial, hotel, and resort lands. However, due to restrictions imposed by various land management policies, there is little incentive for lessees of various parcels to make improvements to the leased parcels. Your Committees further find that identifying areas in need of improvement and establishing guidelines for revitalization could help create revenue-generating potential and economic development for various land parcels.

Your Committees note that H.B. No. 1310, H.D. 1, Regular Session of 2017, establishes the Waiakea Peninsula Redevelopment District, and is dependent on the passage of this measure. Your Committees conclude that the language of H.B. No. 1310, H.D. 1, should be added to this measure for efficiency purposes of consistency and clarity.

Your Committees have amended this measure by:

- (1) Removing section 4, which would have required every lease issued by the Board of Land and Natural Resources to contain the exact commencement and termination dates for the lease, and the term and type of notice required to exercise any renewal option;
- (2) Removing section 5, which would have amended restrictions on renewal of lease terms for public lands, expanded the types of leases to which the restrictions apply, and allowed indefinite extensions of lease terms for certain lands;
- (3) Inserting the contents of H.B. No. 1310, H.D. 1, which:
 - (A) Establishes the Waiakea Peninsula Redevelopment District;
 - (B) Creates the Waiakea Peninsula Redevelopment District Planning Committee; and
 - (C) Establishes the Waiakea Peninsula Redevelopment District Revolving Fund; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1469, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1469, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Taniguchi).

Water and Land: Ayes, 3; Ayes with Reservations (Inouye). Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1151 Economic Development, Tourism, and Technology on H.B. No. 597

The purpose and intent of this measure is to authorize the establishment within the Department of Business, Economic Development, and Tourism of one full-time equivalent (1.00 FTE) permanent broadband coordinator position, require the coordinator to create a state broadband plan, and appropriate funds for these purposes.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Mobilitee; and one individual.

Your Committee finds that the State lacks a plan to capitalize on fast-evolving broadband technology that will improve the State's outcomes in information access, economic development, education, and communications. Your Committee further finds that the establishment of a full-time equivalent permanent broadband coordinator position and creation of a state broadband plan are crucial to developing the broadband technology opportunities in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 597, H.D. 1 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1152 Economic Development, Tourism, and Technology on H.B. No. 975

The purpose and intent of this measure is to create an advisory council for global economic competitiveness to advise the Director of Business, Economic Development, and Tourism and other state officials on policy additions and changes to help attract more foreign direct investment and increase Hawaii exports abroad.

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 finds that economic globalization, which is the increasing economic integration and interdependence of national, state, and local economies, is occurring by way of increasing trade in goods and services, the sharing and growth of technology and capital, and increasing cross-border investment. In order to achieve a successful economic future, the State must inevitably compete in the global economy by promoting Hawaii exports overseas and attracting more foreign direct investment. Your Committee further finds that attraction of foreign direct investment to the State creates local jobs and supports local economic growth.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 975, H.D. 1 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1153 Economic Development, Tourism, and Technology on H.B. No. 1329

The purpose and intent of this measure is to appropriate funds for grants to participants in the 2017 and 2018 Hawaii annual code challenges so that the proof of concepts created during the challenges can be developed into prototypes.

Your Committee received testimony in support of this measure from the State of Hawaii Office of Enterprise Technology Services, High Technology Development Corporation, Civil Beat Law Center for the Public Interest, Transform Hawaii Government, Hawaii Open Data, Data House, Dev League LLC, Street Grindz, Tapiki, Box Jelly, Purple Mai'a Foundation, and nine individuals.

Your Committee finds that government entities often do not have the resources or organizational culture to develop innovative technological advances or solutions to complex problems. To address this shortfall, communities and government entities have

increasingly collaborated to present events where software developers compete for prizes by creating proof of concepts to address a specified challenge. Your Committee further finds that funds for grants to participants in the 2017 and 2018 Hawaii challenges is an important investment for the State, as these events often lead to the discovery of new ways to leverage existing government platforms into expanded services for the public.

Your Committee has amended this measure by:

- (1) Changing all references, except the first reference in the purpose section, of “Hawaii annual code challenge” to “application challenge”;
- (2) Adding a definition of “application” to mean the apps or applications that result from the application challenges, including but not limited to the broad categories of web apps, mobile apps, computing devices, sensors, augmented reality, and virtual reality;
- (3) Adding a definition of “application challenge” to generally refer to events that bring teams together to collaborate and innovate solutions for a given theme or problem set; examples of events include the Hawaii Annual Code Challenge, AT&T Hackathon, and Reboot the Commute; and
- (4) Clarifying that grants issued pursuant to this measure to help convert proof of concepts into prototypes must be issued only for prototypes suitable for local and state government use, rather than corporate or consumer use.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1329, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1329, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1154 (Joint) Economic Development, Tourism, and Technology and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1471

The purpose and intent of this measure is to:

- (1) Require large transient accommodations brokers and permit all transient accommodations brokers to register as tax collection agents to collect and remit general excise and transient accommodations taxes on behalf of operators and plan managers using their services;
- (2) Ensure that the subject properties are in compliance with applicable land use laws;
- (3) Create a definition of “large transient accommodations broker”;
- (4) Allocate \$4,000,000 of transient accommodations tax revenue to the counties for compliance and enforcement of county ordinances regulating transient vacation rentals.

Your Committees received testimony in support of this measure from the Maui Chamber of Commerce, AirBNB, Hawaii Appleseed Center for Law and Justice, and fifteen individuals. Your Committees received testimony in opposition to this measure from the County of Kauai Planning Department; County of Kauai Office of the Prosecuting Attorney; Kailua Neighborhood Board; National Federation of Filipino American Association; Filipino American Citizens League; Rental by Owner Awareness Association; Nursing Advocates & Mentors, Inc.; Hawaii Alliance for Progressive Action; Young Progressives Demanding Action; Outrigger Enterprises Group; and eighty-five individuals. Your Committees received comments on this measure from the Department of the Attorney General, Department of Taxation, Maui Hotel and Lodging Association, Land Use Research Foundation of Hawaii, Tax Foundation of Hawaii, Save Oahu’s Neighborhoods, and three individuals.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which amends this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 1281, Regular Session of 2017, which, among other things:
 - (A) Allows transient accommodations brokers to register as general excise and transient accommodations tax collection agents on behalf of their operators and plan managers;
 - (B) Requires registered transient accommodations broker tax collection agents’ operators and plan managers to obtain general excise tax licensure and transient accommodations tax registration;
 - (C) Requires all registered transient accommodations broker tax collection agents to inquire and ensure that the transient accommodation is in compliance with all pertinent state and county land use laws;
 - (D) Requires operators and plan managers to provide verification of compliance with county land use laws in the form of a written certification, verification, or permit issued by the appropriate county agency; and
 - (E) Makes the measure effective upon approval and applicable to taxable years beginning after December 31, 2017;
- (2) Requiring that transient accommodations broker tax collections agents file periodic returns in accordance with sections 237D-6, Hawaii Revised Statutes, and annual returns in accordance with section 237D-7, Hawaii Revised Statutes, and that the returns shall include reporting information, including but not limited to the name, address, and transient accommodations tax number of each operator and plan manager;

- (3) Requiring a transient accommodations broker to remove advertisements for transient accommodations located in the State for which the operator or plan manager fails to comply with requirements or for which the transient accommodations broker has received written notice that the operator or plan manager has failed to comply with applicable land use, zoning, or tax requirements; and
- (4) Clarifying that the measure is not intended to preempt or otherwise limit the authority of counties to adopt, monitor, and enforce local land use regulations, nor is the measure intended to transfer the authority to monitor and enforce such regulations away from the counties.

Your Committees received testimony in support of the proposed S.D. 1 from the City and County of Honolulu Department of Planning and Permitting, Hawaii Lodging and Tourism Association, Maui Hotel and Lodging Association, Outrigger Enterprises Group, and two individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the Rental by Owner Awareness Association, Aina Haina Community Association, Internet Association, and ILWU Local 142. Your Committees received comments on the proposed S.D. 1 from the Department of the Attorney General, Department of Taxation, Office of Hawaiian Affairs, Hawaii Tourism Authority, AirBNB, American Hotel and Lodging Association, Keep it Kailua, Unite Here! Local 5 Hawaii, Kyoya Management Company, and two individuals.

Your Committees find that allowing internet platforms to collect and remit general excise and transient accommodations taxes for its users will generate millions of dollars in tax revenue for the State of Hawaii. Your Committees further find that this measure will also ensure that all operators and plan managers pay their share of taxes while also creating standards to ensure compliance with land use ordinances and regulations.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending this measure by:

- (1) Requiring that each periodic tax return be accompanied by an electronic cover sheet, in a form prescribed by the Department of Taxation, that includes the following information:
 - (A) For each operator and plan manager on whose behalf the transient accommodations broker tax collection agent is required to report, collect, and pay over taxes, the operator's or plan manager's name, address, and license identification number; and
 - (B) For each transient accommodation rented through the registered transient accommodations broker tax collection agent or the website or platform designated in the certificate of registration and for which taxes are being remitted:
 - (i) The address of the transient accommodation;
 - (ii) The number of nights for which each transient accommodation was rented and the rate or price at which each transient accommodation was rented; and
 - (iii) The amount of tax being remitted pursuant to this chapter and the amount of any federal form 1099 income that was derived from each transient accommodation;
- (2) Providing that the Director of Taxation and county official designated by the mayor to receive information contained in returns shall be deemed to be persons with a material interest in the return and return information and may examine the returns and cover sheet to ensure compliance with this measure, state and local tax laws and ordinances, and any applicable land use laws and ordinances;
- (3) Requiring the operator or plan manager to provide a statement confirming compliance with all land use laws to the transient accommodations broker tax collection agent;
- (4) Clarifying that nothing in sections 2 and 3 shall be construed to preempt or prohibit the authority of a unit of local government in the State, including counties and any other political subdivisions of the State, to adopt, monitor, and enforce local land use regulations, nor to transfer the authority to monitor and enforce such regulations away from the counties;
- (5) Changing the licensure reference for purposes of the general excise tax in section 2 from "separate certificates of registration" to "separate licenses" to match the statutory language of the general excise tax;
- (6) Correcting references to general excise tax returns in section 2 to correspond to the general excise tax statute;
- (7) Clarifying that all obligations, rights, and responsibilities imposed shall apply jointly to operators and plan managers and to transient accommodations broker tax collection agents under this measure;
- (8) Inserting language to require the Director of Taxation to transfer to any county, upon establishment of a process for providing verification of compliance by an operator or plan manager with that county's land use laws, an unspecified percentage of transient accommodations and general excise taxes collected;
- (9) Inserting an effective date of May 22, 2050, to encourage further discussion; 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, Tourism, and Technology 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. 1471, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1471, H.D. 3, S.D. 1, and be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 5. Noes, none. Excused, none.

SCRep. 1155 Economic Development, Tourism, and Technology on H.B. No. 423

The purpose and intent of this measure is to amend the motion picture, digital media, and film production income tax credit by:

- (1) Providing additional options to claim a workforce development tax credit of either:
 - (A) Ten per cent of qualified payroll costs for local hires; or
 - (B) Thirty-five per cent of qualified production costs of a qualified production that employs a crew of which at least fifty-five per cent are local workers,
incurred in a county with a population of seven hundred thousand or less;
- (2) Granting a production the option of providing alternative marketing opportunities to the State as a condition of claiming the credit;
- (3) Requiring evidence that reasonable efforts to hire local personnel and acquire products and services locally were unsuccessful as a condition of claiming the tax credit for out-of-state products and services;
- (4) Requiring a verification review of the information submitted to the Department of Business, Economic Development, and Tourism for determination of credit amounts; and
- (5) Extending the repeal of the credit until January 1, 2024.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Motion Picture Association of America; NBC Universal Media; and twenty-one individuals. Your Committee received comments on this measure from the Department of Taxation, Office of the Auditor, and Tax Foundation of Hawaii.

Your Committee finds that this measure is intended to extend the sunset date of the motion picture, digital media, and film production income tax credit and to increase the credit incentive for qualified production costs in counties other than Honolulu. Your Committee heard the concerns raised in testimony, including whether the increased tax incentive would be beneficial and whether neighbor islands are equipped to advance additional productions at this time.

Your Committee understands these concerns and notes that S.B. No. 1086, S.D. 2 (Regular Session of 2017), which was previously passed by the Senate, also relates to the motion picture, digital media, and film production income tax credit. Your Committee finds that the language in S.B. No. 1086, S.D. 2, is preferable because it extends the sunset date of the motion picture, digital media, and film production income tax credit while also expanding the tax credit to promote opportunities for Hawaii residents and to maintain cultural sensitivity standards of productions taking place in Hawaii.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 1086, S.D. 2, which:
 - (A) Extends the motion picture, digital media, and film production income tax credit for an additional five years;
 - (B) Clarifies that qualifying production costs are those costs incurred and expended within the State;
 - (C) Requires that to qualify for the tax credit, a production must provide evidence of recognition, ability to understand, and efforts to respect and comply with cultural and environmental sensitivities and guidelines for filming in sensitive locations;
 - (D) Requires that to qualify for the tax credit, a production must employ or contract for the services of cultural resources or historical, cultural, or language experts to advise the production;
 - (E) Requires that to qualify for the tax credit, a production must agree that if the production claims a credit of more than \$8,000,000, the production will provide an advanced screening of the finished product in the county of the island in which the majority of the production took place;
 - (F) Requires the Department of Business, Economic Development, and Tourism to submit an annual report to the Legislature regarding the activities and expenditures of the tax credit;
 - (G) Clarifies that no rule shall be adopted to expand the scope of the tax credit where the rule conflicts with legislative intent;
 - (H) Requires the Department of Business, Economic Development, and Tourism to conduct a financial audit of every film production in the State;
 - (I) Requires the Department of Business, Economic Development, and Tourism, in collaboration with Department of Taxation, to submit to the Governor and the Legislature a report on the number of jobs created in the State and the fiscal impact of every film production receiving the tax credit in the State; and
 - (J) Takes effect on July 1, 2050, with the amendments to the tax credit to apply to taxable years beginning after December 31, 2050; and
- (2) Removing the aggregated annual cap of \$30,000,000 per calendar year for the credit.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 423, H.D. 2, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1156 Economic Development, Tourism, and Technology on H.B. No. 590

The purpose and intent of this measure is to:

- (1) Establish a Hawaii Creative Industries Advisory Group within the Department of Business, Economic Development, and Tourism to support the development of creative and media industries;
- (2) Repeal the Hawaii Television and Film Development Board, which has been inactive for approximately ten years, along with the grant and venture capital programs that were implemented by the board;
- (3) Rename the Hawaii television and film development special fund as the creative media and film infrastructure special fund;
- (4) Broaden the sources of revenue for the creative media and film infrastructure special fund;
- (5) Amend the purposes for which the creative media and film infrastructure special fund may be used, in order to enable the Department of Business, Economic Development, and Tourism to fulfill its statutory and business development duties regarding the creative industries, film and media programs; and
- (6) Exempt certain amounts received related to improvements to and operations of the Hawaii film studio from the general excise tax and the use of certain items for the Hawaii film studio from the use tax.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the formation of the Hawaii Creative Industries Advisory Group would provide a formal mechanism to create ongoing dialogue and strategies for development of the creative and film industries in the State. Your Committee finds that a special fund to capture studio rents from the Hawaii film studio and to generate revenue sources will provide a foundation to build a creative continuum of education to workforce opportunities in Hawaii. Your Committee further finds that the measure will support existing and future infrastructure development in the State's creative and film industries.

Your Committee has amended this measure by:

- (1) Changing the number of members, appointing authority, and composition of the Hawaii Creative Industries Advisory Group;
- (2) Amending the powers and duties of the Advisory Group;
- (3) Clarifying the amount of the general excise tax exemption for making improvements to and operations of the Hawaii film studio, defining the term "improvements", and requiring certification of the exemption;
- (4) Clarifying that payment of a processing fee is required to receive the motion picture, digital media, and film production income tax credit;
- (5) Clarifying the amount of the use tax exemption for the use of material, parts, or tools imported or purchased and used for improvements to or operations of the Hawaii film studio and requiring certification of the exemption;
- (6) Adding an annual reporting requirement for the University of Hawaii and Department of Business, Economic Development, and Tourism on evidence of the contributions to the University's workforce development efforts;
- (7) Applying the general excise and use tax exemptions to taxable periods beginning after December 31, 2017; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 590, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 590, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1157 (Joint) Economic Development, Tourism, and Technology and Agriculture and Environment on H.B. No. 1578

The purpose and intent of this measure is to establish and appropriate funds for a Carbon Farming Task Force to identify agricultural and aquacultural activities and best practices that provide greenhouse gas emissions source reduction or carbon sequestration benefits.

Your Committees received testimony in support of this measure from the Office of Planning, Hawaii Alliance for Progressive Action, Sierra Club of Hawaii, Ulupono Initiative, Kokua Hawaii Foundation, Surfrider Foundation Kauai, Surfrider Foundation Oahu, Hawaii Center for Food Safety, and seventeen individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources, Department of Agriculture, and Hawaii Island School Garden Network.

Your Committees find that local farmers in Hawaii could benefit from additional subsidies and support to grow local agriculture, create jobs, and diversify the State's economy. Your Committees find that agricultural and aquacultural land management practices that sequester carbon could provide greenhouse gas reduction benefits, enhance sustainability of Hawaii's agricultural lands, decrease sedimentation of the marine environment, improve the climate resistance of Hawaii's agricultural sector, and create new opportunities for local farmers. Your Committees further find that creating the Carbon Farming Task Force will help identify and oversee best practices to provide carbon sequestration benefits in the State.

Your Committees have amended this measure by:

- (1) Including an additional Carbon Farming Task Force objective to identify ways that ecosystems and agroforestry systems can be used to mitigate carbon content in Hawaii;
- (2) Adding the Administrator of the Department of Land and Natural Resources' Division of Forestry and Wildlife, or designee, to the Carbon Farming Task Force;
- (3) Inserting an appropriation amount of \$100,000; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1578, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1578, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Tourism, and Technology: Ayes, 5. Noes, none. Excused, none.

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1158 Economic Development, Tourism, and Technology on H.B. No. 1449

The purpose and intent of this measure is to build on the successes of Hawaii's science and technology industries and establish a commercialization loan program, to be known as the impact loan fund for Hawaii or HI-impact loan program.

Your Committee received testimony in support of this measure from the High Technology Development Corporation and Oceanit Laboratories, Inc. Your Committee received comments on this measure from the Department of Budget and Finance and Hawaii Strategic Development Corporation.

Your Committee finds that to be successful in the twenty-first century global economy, Hawaii must position itself as a leader in technology development, transfer, and commercialization. Your Committee finds that the impact loan fund for Hawaii will fill a critical void of capital required for many technologies to advance to market and achieve profitability. Your Committee further finds that the program financing structure will provide loans to companies suited to economically grow and remain in Hawaii.

Your Committee has amended this measure by:

- (1) Establishing the impact loan fund for Hawaii within the Hawaii Strategic Development Corporation rather than within the High Technology Development Corporation;
- (2) Requiring businesses to provide sufficient proof of a \$1 private match for every \$2 of the loan amount to be received, as a condition for receiving a loan under the program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1449, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1449, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1159 Water and Land on H.B. No. 839

The purpose and intent of this measure is to:

- (1) Require the Auditor to conduct a performance audit of the Management and Administration Division and Division of Forestry and Wildlife of the Department of Land and Natural Resources and the Department of Land and Natural Resources' Special Land and Development Fund; and
- (2) Appropriate funds to conduct the audit of the Department of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Waialua Boat Club and six individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources, Office of the Auditor, and one individual.

Your Committee finds that audits yield significant information concerning the efficiency of government funding and operations, and are a useful tool for making sound policy decisions in the public interest. Your Committee notes that this measure is a starting point for the State to exercise its oversight responsibilities and that audits of additional divisions may be conducted in the future. Finally, your Committee recommends a \$300,000 appropriation to conduct the audits.

Your Committee has amended this measure by:

- (1) Deleting the audits of the Management and Administration Division and Division of Forestry and Wildlife of the Department of Land and Natural Resources;
- (2) Requiring a performance audit of the Land Conservation Fund;
- (3) Requiring an accounting of the funds received and expenditures made by the Department of Land and Natural Resources for hosting the 2016 International Union for Conservation of Nature World Conservation Congress; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 839, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 839, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 1160 (Joint) International Affairs and the Arts and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 942

The purpose and intent of this measure is to authorize the State Foundation on Culture and the Arts to commission an artist to design and build a monument to honor and commemorate Filipino veterans of World War II.

Your Committees received testimony in support of this measure from the Department of Defense State Office of Veterans Services, Hawaii Civil Rights Commission, Hawaii Friends of Civil Rights, and three individuals. Your Committees received comments on this measure from the State Foundation on Culture and the Arts.

Your Committees find that the time has come for long overdue recognition of the heroic contributions of more than two hundred sixty thousand Filipino veterans who fought under the American flag during World War II. With the building of this monument, Hawaii joins national efforts to pay a debt of gratitude and restorative justice to the dwindling generation of Filipino veterans who served under U.S. command but did not receive all of the veteran status and benefits they rightfully deserved. Your Committees further find that a monument to honor and commemorate Filipino veterans would demonstrate Hawaii's immense gratitude, provide a visual reminder of Filipino veterans' unique place in history, and educate the public on the role that Filipino veterans played in the outcome of World War II.

Your Committees note that the recommended appropriation for this measure is \$200,000. Your Committees further request if your Committee on Ways and Means passes this measure, that it include language requiring that the State Foundation on Culture and the Arts establish an advisory committee to implement this measure.

Your Committees have amended this measure by:

- (1) Changing the source of funds from the works of art special fund to general revenues of the State;
- (2) Making the appropriation apply only to fiscal year 2018-2019;
- (3) Inserting an effective date of May 22, 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 International Affairs 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. 942, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 942, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
International Affairs and the Arts: Ayes, 3. Noes, none. Excused, 2 (English, Ihara).
Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

SCRep. 1161 Commerce, Consumer Protection, and Health on H.B. No. 552

The purpose and intent of this measure is to:

- (1) Ensure certain benefits under the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) are preserved under state law in the case of repeal of the Affordable Care Act by Congress, including: the individual mandate; minimum essential benefit requirements; extended dependent coverage; and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs; and
- (2) Establish a trust fund and procedures to reimburse insurers for unrecouped costs of providing minimum essential insurance benefits.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; State Council on Developmental Disabilities; Hawai'i Civil Rights Commission; Hawaii State Commission on the Status of Women; Special Education Advisory Council; Hawaii Substance Abuse Coalition; Healthcare Association of Hawaii; Hawai'i Public Health Institute; The Queen's Health Systems; Planned Parenthood Votes Northwest and Hawaii; Early Childhood Action Strategy; The Sex Abuse Treatment Center; American Diabetes Association; Lāna'i Community Health Center; Kū Aloha Ola Mau; IMUAlliance; International Longshore & Warehouse Union, Local 142; The Salvation Army – Addiction Treatment Services and Family Treatment Services; Hawai'i Psychological Association; Action with Aloha; AARP Hawaii; March of Dimes; and five individuals. Your Committee received comments on this measure from the Department of Human Services, Department of Budget and Finance, Department of Labor and Industrial Relations, Department of Taxation, Hawaii Employer-Union Health Benefits Trust Fund Board of Directors, Hawaii Medical Service Association, Kaiser Permanente Hawaii, Tax Foundation of Hawaii, Community Coalition for Hawaii Universal Healthcare Through Comprehensive Planning, and Hawaii Children's Action Network.

Your Committee finds that the Affordable Care Act has resulted in an estimated 20,000,000 Americans gaining health insurance coverage. Hawaii has long experienced low rates of uninsured individuals, thanks to the State's Prepaid Health Care Act. However, the Affordable Care Act reduced the number of uninsured individuals in the State even more, and enabled 54,000 individuals to gain insurance coverage, while 560,000 individuals with pre-existing conditions could no longer be denied health insurance coverage, and

over 630,000 individuals were able to access and benefit from a broad range of preventive services. Furthermore, approximately 33,000 residents of Hawaii now have insurance coverage due to the expansion of Medicaid under the Affordable Care Act.

Your Committee further finds that the future of the Affordable Care Act is now uncertain. There is much uncertainty and confusion around what final actions Congressional Republicans and the President will take in their efforts to repeal and replace the Affordable Care Act. Without the Affordable Care Act, it is estimated that 20,000,000 people will lose access to health insurance across the country. Lack of access to health insurance will negatively affect the health of patients who lose their coverage but will also further strain the health care system in the State. There are also serious concerns that Congress may attempt to push through a repeal of the Affordable Care Act by cutting services for low-income individuals, individuals with disabilities, older adults, and children.

In light of these concerns, your Committee additionally finds that expansion of the Medicaid program in Hawaii is an option that could be considered, specifically for individuals and qualifying families whose income is between 138.5 percent and two hundred fifty percent of the federal poverty level for Hawaii. This expansion, referred to for now as the Medicaid Plus Program, would cover individuals and families currently receiving health insurance coverage through the federal health insurance exchange; people who may be receiving advance premium tax credits – primarily self-employed individuals, part-time workers, and Compact of Free Association migrants; lower income employed individuals who may have difficulty obtaining health insurance; and other part-time workers who may work several jobs but who do not otherwise qualify for coverage under Hawaii's Prepaid Health Care Act. Your Committee notes that the Medicaid Plus Program is not intended to offer health care coverage for children, as such coverage is already available under Hawaii's traditional Medicaid program, which provides health care services for children in households whose income is up to three hundred percent of the federal poverty level for Hawaii. Your Committee also finds that because the issues surrounding health insurance and the potential repeal of the Affordable Care Act are far-reaching and complex, it is appropriate to convene a working group to further address these issues.

Your Committee has heard the concerns raised in testimony from the Department of Labor and Industrial Relations regarding the ability of the Department to administer the Minimum Essential Coverage Premium Supplementation Trust Fund, as a trust fund created for this purpose may be more appropriately placed within another department. Your Committee has also heard the concerns raised by the Department of Taxation regarding certain tax exemptions in this measure. According to the Department, for the individual mandate exemption for taxpayers below the filing income threshold under federal law, it may be more appropriate to determine this exemption based on state law. Your Committee appreciates these concerns and concludes that amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Establishing the Minimum Essential Coverage Premium Supplementation Trust Fund as a new chapter, to be administered by the Director of Finance, rather than establishing the trust fund as a new part in chapter 371, Hawaii Revised Statutes, and requiring the trust fund to be administered by the Director of Finance in accordance with directions of the Director of Labor and Industrial Relations;
- (2) Clarifying that individuals who are not required to file individual tax returns as determined under Hawaii law, rather than federal law, are not required to maintain minimum essential coverage;
- (3) Specifying that the requirements to maintain minimum essential coverage shall not apply to an individual or family whose income is two hundred fifty percent or less of the federal poverty level in Hawaii;
- (4) Specifying that a nonresident who is required to file an individual income tax return in Hawaii is exempt from the requirements for minimum essential coverage;
- (5) Establishing the Medicaid Plus Program within the Department of Human Services, which shall:
 - (A) Provide insurance coverage to individuals and qualifying families whose income is between 138.5 percent and two hundred fifty percent of the federal poverty level for Hawaii;
 - (B) Include a cost sharing requirement for individuals and qualifying families of an unspecified dollar amount or unspecified percentage of income, whichever is less; and
 - (C) Require inclusion of specific essential health care benefits and additional benefits;
- (6) Specifying that prescription drug coverage shall be one of the essential health care benefits offered by all health insurance entities in the State;
- (7) Establishing the Affordable Health Insurance Working Group to address the complexities of the health care system in Hawaii and the related uncertainty over the future of the Affordable Care Act and:
 - (A) Specifying the membership of the working group, including requiring the Chairs of the Senate Committee on Commerce, Consumer Protection, and Health and House Committee on Health to serve as chairs, and requiring the Chairs of the Senate and House Committees on Human Services to serve as vice-chairs;
 - (B) Permitting the working group to hold informational briefings and listening sessions to gather input from the public;
 - (C) Enabling the working group, with the assistance of the Departments of Budget and Finance and Taxation, to further refine the framework of the Minimum Essential Coverage Premium Supplementation Trust Fund;
 - (D) Enabling the working group to request assistance and feedback from subject matter experts, as needed;
 - (E) Requiring the working group to provide periodic updates to the legislature, make recommendations for any legislative or administrative action, as appropriate; and submit a final report to the Legislature no later than twenty days prior to the Regular Session of 2018;
 - (F) Requesting the Legislative Reference Bureau to provide staff, research, and drafting assistance to the working group; and

- (G) Specifying that the working group shall be officially convened at the pleasure of the chairs and vice chairs of the working group, depending upon Congressional action related to the Affordable Care Act, but no later than August 1, 2017;
- (8) Updating the purpose section;
- (9) Inserting an effective date of July 1, 2017, related to the establishment of the Affordable Health Insurance Working Group, while retaining language that conditions the effective date of certain sections upon the repeal of the Affordable Care Act; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure represents a work in progress and further discussions will be needed as this amended measure moves through the legislative process. Your Committee also notes that it anticipates any expansion of the Medicaid program, or another similar program designed to ensure health care coverage to residents below two hundred fifty percent of the federal poverty level in Hawaii would go into effect for the next plan year after any federal law that repeals and replaces the Affordable Care Act takes effect.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 552, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 552, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1162 (Joint) Water and Land and Agriculture and Environment on H.B. No. 1584

The purpose and intent of this measure is to:

- (1) Require the counties to submit recommendations and maps for designation of important agricultural lands by June 30, 2019, or forfeit that right to the Land Use Commission;
- (2) Require the Land Use Commission to identify and designate important agricultural lands in any county that fails to meet the June 30, 2019, deadline;
- (3) Amend the Important Agricultural Land Qualified Agricultural Cost Tax Credit to:
 - (A) Include under the definition of “qualified agricultural costs” the costs associated with the clearing, removal of trees and debris, and soil restoration of former sugar and pineapple plantation lands that have been out of use for more than three years;
 - (B) Extend the period to claim the tax credit by ten years; and
 - (C) Clarify the tax credit amount for each year in which the tax credit is claimed; and
- (4) Appropriate an unspecified amount for grants-in-aid to the counties for identification and mapping of important agricultural lands by June 30, 2019, or, for any county that misses the deadline, to the Land Use Commission to identify and map important agricultural lands in that county by June 30, 2020.

Your Committees received testimony in support of this measure from the Department of Agriculture; Office of Planning; Land Use Commission; Chamber of Commerce Hawaii; Land Use Research Foundation of Hawaii; Ulupono Initiative; Alexander & Baldwin, Inc.; We Are One, Inc.; Hawai‘i Farm Bureau; Sierra Club of Hawai‘i; and seven individuals. Your Committees received testimony in opposition to this measure from the County of Hawai‘i Planning Department and Planning Department of the County of Kaua‘i. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that the proposed measure offers appropriate incentives for counties to complete their important agricultural lands identification and mapping process. Your Committees recognize the significant public involvement and coordination with various stakeholders and groups necessary to complete the process, and support providing adequate funding for a quality end product. Your Committees further find that requiring the Land Use Commission to proceed to identify and designate important agricultural lands if a county fails to meet its deadline fulfills the State’s duty to conserve and protect agricultural lands.

Your Committees also find that amending the Important Agricultural Land Qualified Agricultural Cost Tax Credit by extending the time period in which the credit may be claimed facilitates the long-term viability of farming and the agriculture industry in the State. However, your Committees note that expanding the definition of “qualified agricultural costs” for purposes of the tax credit may unintentionally reward past behavior rather than incentivize the conservation and protection of important agricultural lands.

Accordingly, your Committees have amended this measure by:

- (1) Removing the proposed changes to the definition of “qualified agricultural costs”;
- (2) Providing that the cumulative amount of the tax credit for all years claimed shall be \$1,000,000 per taxpayer;
- (3) Reinstating the existing statutory limits for each of the three years for which the tax credit is claimed, and establishing the limit for each year after the third year that the tax credit is claimed, while keeping the cumulative cap of the tax credit at \$1,000,000;
- (4) Providing that for taxable years beginning after December 31, 2017, the taxpayer may only claim the tax credit in the taxable year in which the taxpayer incurred the qualified agricultural costs;
- (5) Clarifying that counties are eligible for grants-in-aid for expenses incurred in identifying and mapping important agricultural lands prior to the effective date of this measure that have not been previously reimbursed by the State;

- (6) Extending the deadline for the Land Use Commission to identify and map important agricultural lands using the appropriated funds by one year to June 30, 2021; 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 Water and Land and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1584, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1584, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1163 Agriculture and Environment on S.C.R. No. 69

The purpose and intent of this measure is to request the Department of Agriculture to convene a task force to document and collect data identifying economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau and Land Use Research Foundation. Your Committee received comments on this measure from the Department of Agriculture and Department of Land and Natural Resources.

Your Committee finds that invasive and endangered species are affecting farmers statewide, and while farmers and ranchers have experienced the negative impacts of invasive and endangered species, they do not necessarily have the training to document the economic and agricultural harm being caused by these damaging pests. Your Committee further finds that identification of the impacts of invasive and endangered species on Hawaii agriculture is necessary to facilitate a unified federal, state, and county effort to address this agricultural threat.

Your Committee has amended this measure by:

- (1) Removing the request that the Department of Agriculture convene a task force to document and collect data identifying economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii;
- (2) Requesting that the Department of Agriculture and Department of Land and Natural Resources identify economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii;
- (3) Amending the title to reflect its amended purpose; 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 and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 69, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1164 Agriculture and Environment on S.C.R. No. 90

The purpose and intent of this measure is to urge the Office of Planning to study and update the Hawaii State Planning Act's economic objectives and policies for agriculture.

Your Committee received testimony in support of this measure from the Office of Planning and Hawai'i Farm Bureau. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that the current Hawaii State Planning Act economic objectives for agriculture list Hawaii's sugar and pineapple industries as top priorities, which have been declining over recent decades and are no longer the primary focus of Hawaii's agricultural industry. Your Committee also finds that sustainability, food security, and increased local food production are current priorities of the State. Therefore, your Committee finds that it is appropriate that the Hawaii State Planning Act be updated to reflect the State's present goals.

Your Committee has amended this measure by:

- (1) Specifying that the Office of Planning is requested to work with the Department of Agriculture to realign the Hawaii State Planning Act's agricultural priorities in accordance with a long-term vision that includes consideration of sustainable agriculture and self-sufficiency in Hawaii and other potential vision elements;
- (2) Requesting that the Office of Planning submit a long-term vision statement to the Legislature, in addition to an updated priority list of state economic objectives and policies for agriculture; 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 and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 90, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 90, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1165 Agriculture and Environment on S.C.R. No. 151

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism, in conjunction with the Department of Agriculture, to study the economic impacts of vertical farming operations.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Agriculture and Office of Planning.

Your Committee finds that vertical farming produces food indoors in vertical stacked layers using indoor farming techniques and controlled-environment agriculture technology and has the potential to increase certain crop yields in limited land space. Your Committee finds that a study of the economic impacts of vertical farming operations may provide policy makers and the agricultural industry with sufficient data to determine whether Hawaii should invest in vertical farming as a viable option for agricultural production in the State.

Your Committee has amended this measure by deleting the finding that current agricultural practices in Hawaii utilize traditional surface farming, which may be inefficient considering Hawaii's limited land space and high land costs.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 151, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1166 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 172

The purpose and intent of this measure is to urge the Department of Health to adopt rules for underground storage tanks and tank systems that conform with recent revisions to federal regulations and include additional requirements for certain field-constructed underground storage tanks.

Your Committees received testimony in support of this measure from the City and County of Honolulu Board of Water Supply; Conservation Council for Hawai'i; Ke One O Kākuhihewa, O'ahu Council of the Association of Hawaiian Civic Clubs; Sierra Club of Hawaii; and five individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General, Department of Health, Navy Region Hawaii, National Active and Retired Federal Employees Association, and thirteen individuals. Your Committees received comments on this measure from We Are One, Inc.

Your Committees find that the leakage of fuel from underground storage tanks is a matter of serious statewide concern. Fuel that leaks from storage tanks can contaminate groundwater that is used for human consumption and cause significant damage to the environment. Issues surrounding leaking fuel storage tanks are numerous and need to be adequately and immediately addressed to protect Hawaii's water supply for the health and safety of Hawaii's people and environment.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 172 and recommend that it be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4; Ayes with Reservations (Nishihara). Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3; Ayes with Reservations (Nishihara). Noes, none. Excused, 2 (Baker, Wakai).

SCRep. 1167 (Joint) Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on S.R. No. 86

The purpose and intent of this measure is to urge the Department of Health to adopt rules for underground storage tanks and tank systems that conform with recent revisions to federal regulations and include additional requirements for certain field-constructed underground storage tanks.

Your Committees received testimony in support of this measure from the City and County of Honolulu Board of Water Supply; Conservation Council for Hawai'i; Ke One O Kākuhihewa, O'ahu Council of the Association of Hawaiian Civic Clubs; Sierra Club of Hawaii; and five individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General, Department of Health, Navy Region Hawaii, National Active and Retired Federal Employees Association, and thirteen individuals. Your Committees received comments on this measure from We Are One, Inc.

Your Committees find that the leakage of fuel from underground storage tanks is a matter of serious statewide concern. Fuel that leaks from storage tanks can contaminate groundwater that is used for human consumption and cause significant damage to the environment. Issues surrounding leaking fuel storage tanks are numerous and need to be adequately and immediately addressed to protect Hawaii's water supply for the health and safety of Hawaii's people and environment.

As affirmed by the records of votes of the members of your Committees on Agriculture 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. 86 and recommend that it be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chairs on behalf of the Committees.

Agriculture and Environment: Ayes, 4; Ayes with Reservations (Nishihara). Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3; Ayes with Reservations (Nishihara). Noes, none. Excused, 2 (Baker, Wakai).

SCRep. 1168 Agriculture and Environment on S.R. No. 72

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism, in conjunction with the Department of Agriculture, to study the economic impacts of vertical farming operations.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Agriculture and Office of Planning.

Your Committee finds that vertical farming produces food indoors in vertical stacked layers using indoor farming techniques and controlled-environment agriculture technology and has the potential to increase certain crop yields in limited land space. Your Committee finds that a study of the economic impacts of vertical farming operations may provide policy makers and the agricultural industry with sufficient data to determine whether Hawaii should invest in vertical farming as a viable option for agricultural production in the State.

Your Committee has amended this measure by deleting the finding that current agricultural practices in Hawaii utilize traditional surface farming, which may be inefficient considering Hawaii's limited land space and high land costs.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 72, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 72, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 1169 Agriculture and Environment on S.R. No. 26

The purpose and intent of this measure is to request the Department of Agriculture to convene a task force to document and collect data identifying economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii.

Your Committee received testimony in support of this measure from the Hawai'i Farm Bureau and Land Use Research Foundation. Your Committee received comments on this measure from the Department of Agriculture and Department of Land and Natural Resources.

Your Committee finds that invasive and endangered species are affecting farmers statewide, and while farmers and ranchers have experienced the negative impacts of invasive and endangered species, they do not necessarily have the training to document the economic and agricultural harm being caused by these damaging pests. Your Committee further finds that identification of the impacts of invasive and endangered species on Hawaii agriculture is necessary to facilitate a unified federal, state, and county effort to address this agricultural threat.

Your Committee has amended this measure by:

- (1) Removing the request that the Department of Agriculture convene a task force to document and collect data identifying economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii;
- (2) Requesting that the Department of Agriculture and Department of Land and Natural Resources identify economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii;
- (3) Amending the title to reflect its amended purpose; 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 and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 1170 (Joint) Human Services and Housing on S.C.R. No. 56

The purpose and intent of this measure is to request that the Auditor conduct a study to assess the impact of using Medicaid funds to provide coverage for the treatment for homelessness.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that there is an integral link between health and housing, especially for individuals who are chronically homeless. Without housing, individuals often struggle to address their health conditions, while people who are unable to address their health challenges often struggle to obtain and retain housing. Furthermore, the costs to the entire continuum of care, including hospitals, long-term care facilities, and home-based services, for treating the State's homeless population continue to increase. Your Committees also find that ensuring the availability of quality health care and preventive services can successfully mitigate increased future demand for high cost medical services. Directing the Auditor to perform an impact assessment study on the use of Medicaid

funds to provide coverage for the treatment for homelessness is the necessary next step in a potentially transformative approach for the treatment for homelessness in Hawaii.

Your Committees have amended this measure by inserting directive language that requests the Auditor, when conducting the study, to take into consideration certain services to be included under coverage for treatment for homelessness.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 56, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 56, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 1171 Water and Land on S.C.R. No. 79

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (4) 4-3-009: seaward of 001, Waipouli, Kawaihau, Kauai, for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on May 9, 2014, under agenda item D-1, as subsequently amended at a meeting on October 24, 2014, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the seawall identified in this measure. Your Committee notes that the fair market value of the easement is \$25,200 as determined by an independent appraisal, and that the current property owner has remitted payment of \$25,255, inclusive of fees, to the State for the grant of easement. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements thereon.

Your Committee has amended this measure by:

- (1) Correcting the date of the meeting of the Board of Land and Natural Resources from May 19, 2014, to May 9, 2014, pursuant to testimony received from the Department of Land and Natural Resources; and
- (2) Amending its title to make a technical, nonsubstantive amendment.

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. 79, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 79, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1172 Agriculture and Environment on S.C.R. No. 77

The purpose and intent of this measure is to request the Department of Agriculture to establish a temporary task force for the purpose of creating a definition of "bona fide agricultural producer".

Your Committee received testimony in support of this measure from the Ulupono Initiative; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; and Land Use Research Foundation. Your Committee received comments on this measure from the Department of Agriculture and Office of Hawaiian Affairs.

Your Committee finds that there is no definition for "bona fide agricultural producer" in the Hawaii Revised Statutes, which has led to disagreement among policy makers and stakeholders when crafting legislation and incentives to benefit farmers. Creating a single definition or multiple definitions of "bona fide agricultural producer" may require careful and substantial amendments to the Hawaii Revised Statutes. Creating a definition will likely require the development of standards and criteria to define what constitutes a qualifying level of performance or achievement for each category of agricultural producer and may need to be broad so as to not inadvertently exclude certain farmers.

Your Committee has amended this measure by:

- (1) Expanding the task force to include five additional representatives of farmers and ranchers; a practitioner of Native Hawaiian farming methods; a designee of the Director of Business, Economic Development, and Tourism; and a designee of the Hawaii Association of Counties;
- (2) Extending the deadline for the task force to submit its report to the Legislature to no later than twenty days prior to the convening of the Regular Session of 2019;
- (3) Extending the sunset date of the task force to June 30, 2019; 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 and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 77, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 77, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 1173 Commerce, Consumer Protection, and Health on S.C.R. No. 112

The purpose and intent of this measure is to improve the detection and early treatment of colorectal cancer by requesting the Department of Health to convene a working group to develop recommendations to increase colorectal cancer screening rates.

Your Committee received testimony in support of this measure from the Department of Health; American Cancer Society, Cancer Action Network; University of Hawai'i Cancer Center; Hawaii Primary Care Association; Hawai'i Pacific Health; and seventeen individuals.

Your Committee finds that increased colorectal cancer screening can save many lives in Hawaii. Nationwide, states and organizations are committing to the "80% by 2018" initiative, which is an effort to eliminate colorectal cancer as a major public health problem by getting eighty percent of adults aged fifty and older screened for colorectal cancer by 2018. Your Committee further finds that colorectal cancer is the second leading cause of cancer deaths for men and the third leading cause of cancer deaths for women in Hawaii. Furthermore, colorectal screening rates for individuals over age fifty are much lower for those who reside in low-income households and those with less than a high school education.

Your Committee additionally finds that colorectal cancer is a cause of considerable suffering among more than one hundred forty thousand adults in the country diagnosed with this cancer each year. In Hawaii, approximately six hundred sixty residents are diagnosed with colorectal cancer each year, and an average of two hundred forty residents die from the disease each year. Your Committee emphasizes that a priority of the Hawaii State Cancer Plan is to increase colorectal screening rates and reduce morbidity and mortality of colorectal cancer through screening and early detection. Your Committee finds that there is work to be done to increase colorectal cancer screening rates in an effort to improve the quality of life for hundreds of people in the State by detecting and preventing death from late stage colorectal cancer and lessening the physical, emotional, and financial burden that often accompany a cancer diagnosis. Your Committee notes that there are many community partners committed to working together to improve colorectal cancer screenings in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 112 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1174 Judiciary and Labor on S.C.R. No. 16

The purpose and intent of this measure is to convene a legislative working group to investigate and identify strategies to promote greater retirement savings for private sector employees in Hawaii.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, AARP Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Assistive Technology Resource Centers of Hawaii, and nineteen individuals. Your Committee received testimony in opposition to this measure from the National Association of Insurance and Financial Advisors. Your Committee received comments on this measure from the Legislative Reference Bureau and American Council of Life Insurers.

Your Committee finds that approximately fifty percent of Hawaii's private sector employees work for an employer that does not offer a retirement plan or are not eligible for the plan offered. Your Committee further finds that individuals without a retirement plan are at significant risk of not having enough retirement income to meet basic expenses during retirement, and therefore may place an extra burden on public assistance programs. This measure seeks to initiate efforts to enable all residents of Hawaii to sufficiently save for retirement.

Your Committee has amended this measure by:

- (1) Requesting that the working group examine private marketplace plans in Washington, Illinois, and New Jersey in addition to state-sponsored retirement savings programs in California, Oregon, and Maryland;
- (2) Requesting that the working group submit a draft of its report to the Legislative Reference Bureau no later than October 1, 2017; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 16, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1175 Judiciary and Labor on S.C.R. No. 108

The purpose and intent of this measure is to:

- (1) Request the Chief Election Officer to convene an automatic voter registration task force to determine the feasibility, cost savings, and cost impact of implementing an automatic voter registration system in Hawaii; and
- (2) Request the automatic voter registration task force to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2018.

Your Committee received testimony in support of this measure from the Office of Elections; Office of the City Clerk, City and County of Honolulu; Common Cause Hawaii; League of Women Voters; and four individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that automatic voter registration, also known as “motor voter”, provides eligible voters an opportunity to register to vote when applying for or renewing a driver’s license unless the eligible voter affirmatively declines to be registered. Proponents believe that automatic voter registration assists in removing barriers to registration for eligible voters, which is the first step to voter participation. Voter registration through a routine and necessary transaction, such as driver’s licensing or renewal, increases voter registration efficiency and effectiveness and voter turnout.

Your Committee further finds that six states and the District of Columbia have enacted automatic voter registration. As a result, Oregon set a new state record for the number of votes cast in 2016. Hawaii has one of the lowest voter registration rolls and participation rates in the country. By convening an automatic voter registration task force, this measure will determine the feasibility of joining other states, such as Oregon, in increasing voter registration.

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. 108, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 108, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1176 Judiciary and Labor on S.C.R. No. 109

The purpose and intent of this measure is to request that the Department of Labor and Industrial Relations prepare and submit a proposal that delineates how it will increase the reimbursement rate to providers of service for workers’ compensation claimants.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Chapter of the American Physical Therapy Association, ILWU Local 142, JACO Rehab Honolulu, two individuals, and a petition signed by thirty individuals. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii.

Your Committee finds that access to healthcare providers for injured workers is often barred by a number of factors. Your Committee further finds that the Department of Labor and Industrial Relations has testified before your Committee that it favors an increase in the reimbursement rate to providers of service for workers’ compensation claimants and is considering other alternatives to the current fee schedule and plans to have a proposal for discussion shortly.

Your Committee has amended this measure by inserting a provision indicating that the Department of Labor and Industrial Relations has stated that it is currently surveying prepaid health care providers and will be using the data to update the Workers’ Compensation Supplemental Medical Fee Schedule, Exhibit A, effective January 1, 2018.

As 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. 109, as amended herein, and recommends that it be referred to your 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, 5. Noes, none. Excused, none.

SCRep. 1177 Judiciary and Labor on S.C.R. No. 114

The purpose and intent of this measure is to urge the United States Senate to adopt Senate Resolution 51 (115th Congress), “Recognizing the contributions of Federal employees and pledging to oppose efforts to reduce Federal workforce pay and benefits, eliminate civil service employment protections, undermine collective bargaining, and increase the use of non-Federal contractors for inherently governmental activities”.

Your Committee received testimony in support of this measure from the LGBT Caucus of the Democratic Party of Hawaii; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Hawaii Federation of State Chapters, National Active and Retired Federal Employees; ILWU Local 142; and one individual.

Your Committee finds that on February 6, 2017, United States Senator Mazie Hirono introduced Senate Resolution 51, “Recognizing the contributions of Federal employees and pledging to oppose efforts to reduce Federal workforce pay and benefits, eliminate civil service employment protections, undermine collective bargaining, and increase the use of non-Federal contractors for inherently governmental activities”. Your Committee further finds that the Trump administration budget includes a number of cutbacks that will result in layoffs and other negative impacts to the federal government workforce.

Your Committee has amended this measure by:

- (1) Amending the findings to refer to any credible threat to collective bargaining and the civil service system, rather than any conceivable threat;
- (2) Inserting findings regarding the Trump administration’s budget; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 114, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 114, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1178 Education on S.C.R. No. 48

The purpose and intent of this measure is to request additional funding for education from the United States Department of Education.

Your Committee received testimony in support of this measure from the Department of Education and three individuals.

Your Committee finds that funding for education is a vital investment in the State's children and the future of Hawaii. Your Committee further finds that the federal Every Student Succeeds Act provides states with an opportunity to further shape school systems in a way that will best prepare students for the future. Your Committee additionally finds that additional resources from the United States Department of Education will facilitate the continued development of effective public education in Hawaii and throughout the nation.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 48, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 48, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1179 Education on S.R. No. 12

The purpose and intent of this measure is to request additional funding for education from the United States Department of Education.

Your Committee received testimony in support of this measure from the Department of Education and three individuals.

Your Committee finds that funding for education is a vital investment in the State's children and the future of Hawaii. Your Committee further finds that the federal Every Student Succeeds Act provides states with an opportunity to further shape school systems in a way that will best prepare students for the future. Your Committee additionally finds that additional resources from the United States Department of Education will facilitate the continued development of effective public education in Hawaii and throughout the nation.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 12, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 12, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1180 Education on S.C.R. No. 166

The purpose and intent of this measure is to request the Auditor to perform a study of:

- (1) The number of first-year teachers hired by the Department of Education;
- (2) The five-year retention rates for first-year teachers; and
- (3) Statistics of teachers at Department schools who transferred from their former teaching positions.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Your Committee received comments on this measure from the Department of Education and Office of the Auditor.

Your Committee finds that Hawaii is in the midst of a teacher shortage crisis. Your Committee further finds that, in the last five years, the number of state teacher vacancies has increased by forty-five percent. Your Committee additionally finds that teacher shortages have a significant negative effect on student learning, especially in rural and designated hard-to-fill schools. Your Committee also finds that accurate and updated information is vital to efforts to develop effective policies to address the shortage of teachers.

Your Committee has amended this measure by:

- (1) Clarifying that the starting point for all data collected in the study is 2012; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 166, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 166, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1181 Education on S.R. No. 80

The purpose and intent of this measure is to request the Auditor to perform a study of:

- (1) The number of first-year teachers hired by the Department of Education;
- (2) The five-year retention rates for first-year teachers; and
- (3) Statistics of teachers at Department schools who transferred from their former teaching positions.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association. Your Committee received comments on this measure from the Department of Education and Office of the Auditor.

Your Committee finds that Hawaii is in the midst of a teacher shortage crisis. Your Committee further finds that, in the last five years, the number of state teacher vacancies has increased by forty-five percent. Your Committee additionally finds that teacher shortages have a significant negative effect on student learning, especially in rural and designated hard-to-fill schools. Your Committee also finds that accurate and updated information is vital to efforts to develop effective policies to address the shortage of teachers.

Your Committee has amended this measure by:

- (1) Clarifying that the starting point for all data collected in the study is 2012; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 80, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 80, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1182 Education on S.C.R. No. 53

The purpose and intent of this measure is to request a study on the per-pupil funding system for public charter schools to determine whether the system fulfills its statutory purpose of equalizing operational funding among public schools.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, State Public Charter School Commission, Kamehameha Schools, Hawaii Public Charter Schools Network, Native Hawaiian Education Council, and six individuals. Your Committee received comments on this measure from the Department of Education and Legislative Reference Bureau.

Your Committee finds that schools must be funded and supported adequately to be able to meet the educational needs of their students. Your Committee further finds that public charter schools receive a majority of their funding through general fund appropriations based on a general fund per-pupil allotment. Your Committee additionally finds that the purpose of the per-pupil funding system is to equalize operational funding among public schools. Your Committee also finds that questions have been raised about whether the per-pupil funding system successfully provides equitable funding for public charter schools as compared to schools operated by the Department 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 concurs with the intent and purpose of S.C.R. No. 53 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1183 Education on S.C.R. No. 91

The purpose and intent of this measure is to urge the Hawaii School Athletic Association to adopt the pitch smart guidelines for high school baseball pitchers.

Your Committee did not receive any testimony on this measure.

Your Committee finds that young, amateur pitchers in Hawaii's high schools are at risk of serious injury. Your Committee further finds that the Hawaii High School Athletic Association has adopted a daily pitch count limit and mandatory rest requirements for baseball pitchers pitching in preseason and state tournament games in order to minimize the risk of injury due to overuse. Your Committee additionally finds that the pitch smart guidelines developed by USA Baseball and Major League Baseball are the best, most up-to-date guidelines available, and their adoption will further protect high school pitchers from injury.

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. 91 and recommends that it be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1184 Education on S.C.R. No. 137

The purpose and intent of this measure is to request the Board of Education to consider requiring students in grades six, seven, and eight to take courses in physical education and health education.

Your Committee received testimony in support of this measure from the Hawaii Public Health Institute, American Heart Association, Hawaii Youth Services Network, Hawaii Pacific Health, Pioneering Healthier Communities, and more than forty-five individuals. Your Committee received comments on this measure from the Department of Education and Department of Health.

Your Committee finds that physical education and health education during middle school years is especially important to prevent the onset of risky behaviors. Your Committee further finds that high quality health education helps students to acquire the knowledge, attitudes, and skills that they need to make healthy decisions, become health literate, and promote the health of others. This measure will encourage the Board of Education to reinstate mandatory physical education and health education curricula in public middle and intermediate 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. 137 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1185 Education on S.R. No. 58

The purpose and intent of this measure is to request the Board of Education to consider requiring students in grades six, seven, and eight to take courses in physical education and health education.

Your Committee received testimony in support of this measure from the Hawaii Public Health Institute, American Heart Association, Hawaii Youth Services Network, Hawaii Pacific Health, Pioneering Healthier Communities, and more than forty-five individuals. Your Committee received comments on this measure from the Department of Education and Department of Health.

Your Committee finds that physical education and health education during middle school years is especially important to prevent the onset of risky behaviors. Your Committee further finds that high quality health education helps students to acquire the knowledge, attitudes, and skills that they need to make healthy decisions, become health literate, and promote the health of others. This measure will encourage the Board of Education to reinstate mandatory physical education and health education curricula in public middle and intermediate 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. 58 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1186 Education on S.C.R. No. 140

The purpose and intent of this measure is to urge the Board of Education to restrict any person from applying for the position of Superintendent of Education if that person was a member of the Board of Education when the search and hiring process was developed or initiated.

Your Committee received testimony in support of this measure from the Native Hawaiian Education Council and two individuals. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that the process of selecting and hiring the Superintendent of Education is left entirely to the discretion of the Board of Education. Your Committee further finds that the Superintendent of Education plays a vital role in developing and implementing education policy throughout the State. Your Committee additionally finds that the important role of the Superintendent of Education underscores the critical need for all applicants for the position to be thoroughly, fairly, and objectively evaluated.

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. 140 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1187 Education on S.R. No. 61

The purpose and intent of this measure is to urge the Board of Education to restrict any person from applying for the position of Superintendent of Education if that person was a member of the Board of Education when the search and hiring process was developed or initiated.

Your Committee received testimony in support of this measure from the Native Hawaiian Education Council and two individuals. Your Committee received comments on this measure from the Hawaii State Ethics Commission.

Your Committee finds that the process of selecting and hiring the Superintendent of Education is left entirely to the discretion of the Board of Education. Your Committee further finds that the Superintendent of Education plays a vital role in developing and implementing education policy throughout the State. Your Committee additionally finds that the important role of the Superintendent of Education underscores the critical need for all applicants for the position to be thoroughly, fairly, and objectively evaluated.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 61 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1188 Education on S.C.R. No. 167

The purpose and intent of this measure is to urge the Department of Education to establish a vocational education out-of-school program.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Hawaii Youth Services Network, and two individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that a majority of all current job openings locally and nationally are for positions that do not require a college degree. Your Committee further finds that technical and vocational out-of-school and after-school programs can help students develop skills that are valuable in the State's job market. Your Committee additionally finds that surveys of students indicate that a significant number of students who are not currently enrolled in an after-school program would probably participate in a vocational or technical program if one were offered.

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. 167 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1189 Education on S.R. No. 81

The purpose and intent of this measure is to urge the Department of Education to establish a vocational education out-of-school program.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, Hawaii Youth Services Network, and two individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that a majority of all current job openings locally and nationally are for positions that do not require a college degree. Your Committee further finds that technical and vocational out-of-school and after-school programs can help students develop skills that are valuable in the State's job market. Your Committee additionally finds that surveys of students indicate that a significant number of students who are not currently enrolled in an after-school program would probably participate in a vocational or technical program if one were offered.

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. 81 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1190 Education on S.C.R. No. 168

The purpose and intent of this measure is to request the Department of Education to develop and implement a state plan for computer science education in all public schools.

Your Committee received testimony in support of this measure from the Department of Education, Microsoft Corporation, Code.org, Women in Technology, and five individuals. Your Committee received testimony in opposition to this measure from the University of Hawaii System.

Your Committee finds that strong computer science skills prepare students for a wide variety of career paths. Your Committee further finds that the number of computing jobs available in Hawaii far outstrips the number of qualified graduates entering the workforce, and that the average salary for computing jobs is significantly higher than the average salary for many jobs available in the State. Your Committee additionally finds that implementing robust computer science curricula into all public schools will equip Hawaii's students with the skills that they will need for high paying, in-demand careers.

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. 168 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1191 Education on S.R. No. 82

The purpose and intent of this measure is to request the Department of Education to develop and implement a state plan for computer science education in all public schools.

Your Committee received testimony in support of this measure from the Department of Education, Microsoft Corporation, Code.org, Women in Technology, and five individuals. Your Committee received testimony in opposition to this measure from the University of Hawaii System.

Your Committee finds that strong computer science skills prepare students for a wide variety of career paths. Your Committee further finds that the number of computing jobs available in Hawaii far outstrips the number of qualified graduates entering the workforce, and that the average salary for computing jobs is significantly higher than the average salary for many jobs available in the State. Your Committee additionally finds that implementing robust computer science curricula into all public schools will equip Hawaii's students with the skills that they will need for high paying, in-demand careers.

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. 82 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1192 Education on S.C.R. No. 171

The purpose and intent of this measure is to request the Department of Education to develop and establish a live, learn, work, and play program to promote workforce readiness in Hawaii's students through career pipeline and academy school initiatives.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii State Teachers Association, Hawaii Youth Services Network, Native Hawaiian Education Council, and two individuals. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that employers in Hawaii's expanding industries have reported difficulty in finding local applicants who have the skills and experiences necessary to fill available positions. Your Committee further finds that a career pipeline, academy school, and other workforce readiness initiatives will equip the State's students with the skills that they need to enter the workforce. Your Committee additionally finds that partnerships with local employers can help to ensure that students leave school with skills that are especially valuable and in-demand.

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. 171 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1193 Education on S.R. No. 85

The purpose and intent of this measure is to request the Department of Education to develop and establish a live, learn, work, and play program to promote workforce readiness in Hawaii's students through career pipeline and academy school initiatives.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii State Teachers Association, Hawaii Youth Services Network, Native Hawaiian Education Council, and two individuals. Your Committee received testimony in opposition to this measure from two individuals.

Your Committee finds that employers in Hawaii's expanding industries have reported difficulty in finding local applicants who have the skills and experiences necessary to fill available positions. Your Committee further finds that a career pipeline, academy school, and other workforce readiness initiatives will equip the State's students with the skills that they need to enter the workforce. Your Committee additionally finds that partnerships with local employers can help to ensure that students leave school with skills that are especially valuable and in-demand.

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. 85 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1194 Water and Land on S.C.R. No. 74

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (2) 4-6-003: seaward of 007, Lahaina, Maui, for the maintenance and repair of the existing concrete seawall, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on October 14, 2016, under agenda item D-9, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the concrete seawall identified in this measure. Your Committee notes that the grantees are required to pay the State the fair market value of the easement to be determined by an independent appraisal, which has not yet been completed. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing concrete seawall, and for the use, repair, and maintenance of the existing improvements thereon.

Your Committee has amended this measure by identifying the property owner as Campbell Family Trust pursuant to testimony received from the Department 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. 74, as amended herein, and recommends that it be referred to your 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 (Inouye, Kim).

SCRep. 1195 International Affairs and the Arts on S.C.R. No. 141

The purpose and intent of this measure is to establish a task force to plan and coordinate the celebration of the one hundred fiftieth anniversary of the first arrival of Japanese emigrants to Hawaii.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts and one individual.

Your Committee finds that the first Japanese emigrants to Hawaii, one hundred forty-seven men and six women from Yokohama, arrived at Honolulu harbor aboard the vessel *Scioto* on June 20, 1868. Your Committee finds that persons of Japanese ancestry and the Japanese community as a whole have subsequently made significant and distinguished contributions to all facets of the rich multicultural history of the Hawaiian Islands and the United States of America. Your Committee further finds that June 20, 2018, will mark the one hundred fiftieth anniversary of the first arrival of Japanese emigrants to Hawaii and a task force within the State Foundation on Culture and the Arts will help to plan and coordinate the celebration of the anniversary.

As affirmed by the record of votes of the members of your Committee on International Affairs 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 your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1196 International Affairs and the Arts on S.R. No. 63

The purpose and intent of this measure is to establish a task force to plan and coordinate the celebration of the one hundred fiftieth anniversary of the first arrival of Japanese emigrants to Hawaii.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts and one individual.

Your Committee finds that the first Japanese emigrants to Hawaii, one hundred forty-seven men and six women from Yokohama, arrived at Honolulu harbor aboard the vessel *Scioto* on June 20, 1868. Your Committee finds that persons of Japanese ancestry and the Japanese community as a whole have subsequently made significant and distinguished contributions to all facets of the rich multicultural history of the Hawaiian Islands and the United States of America. Your Committee further finds that June 20, 2018, will mark the one hundred fiftieth anniversary of the first arrival of Japanese emigrants to Hawaii and a task force within the State Foundation on Culture and the Arts will help to plan and coordinate the celebration of the anniversary.

As affirmed by the record of votes of the members of your Committee on International Affairs and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 63 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1197 Housing on S.C.R. No. 143

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to work with housing stakeholders and other state and county agencies to evaluate and update the rental housing revolving fund program's policies and procedures and reinstate the predevelopment loan program.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that a lack of affordable housing, compounded by rising home prices and rental costs, is a significant and challenging problem throughout Hawaii. Your Committee further finds that incentivizing and facilitating the construction of new units are vital to addressing the shortage of affordable housing. Your Committee additionally finds that the rental housing revolving fund program and predevelopment loan program provide much-needed funds for the development, construction, acquisition, and associated costs borne by developers and owners of affordable housing units.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 1198 Housing on S.R. No. 65

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to work with housing stakeholders and other state and county agencies to evaluate and update the rental housing revolving fund program's policies and procedures and reinstate the predevelopment loan program.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that a lack of affordable housing, compounded by rising home prices and rental costs, is a significant and challenging problem throughout Hawaii. Your Committee further finds that incentivizing and facilitating the construction of new units are vital to addressing the shortage of affordable housing. Your Committee additionally finds that the rental housing revolving fund program and predevelopment loan program provide much-needed funds for the development, construction, acquisition, and associated costs borne by developers and owners of affordable housing units.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 65 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 1199 (Joint) Housing and Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 145

The purpose and intent of this measure is to request that the Hawaii Housing Finance and Development Corporation develop a collaborative plan to best leverage available state and county funds to build affordable housing projects.

Your Committees received testimony in support of this measure from the County of Maui and one individual. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committees find that a lack of affordable housing is a significant, long-standing problem in Hawaii. Your Committees further find that resources exist at the state and county levels that could be effectively coordinated to develop affordable housing units. Your Committees additionally find that these resources include parcels of unused property currently owned by the counties, particularly the county of Maui, some of which are ideal sites for affordable housing units.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to request the Hawaii Housing Finance and Development Corporation, Department of Accounting and General Services, and the County of Maui to explore the feasibility of transferring a parcel of property for the purpose of developing a mixed-use rental housing project and enter into a memorandum of understanding, if appropriate, to execute the transfer;
- (2) Amending its title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing 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. 145, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 145, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

SCRep. 1200 (Joint) Housing and Public Safety, Intergovernmental, and Military Affairs on S.R. No. 67

The purpose and intent of this measure is to request that the Hawaii Housing Finance and Development Corporation develop a collaborative plan to best leverage available state and county funds to build affordable housing projects.

Your Committees received testimony in support of this measure from the County of Maui and one individual. Your Committees received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committees find that a lack of affordable housing is a significant, long-standing problem in Hawaii. Your Committees further find that resources exist at the state and county levels that could be effectively coordinated to develop affordable housing units. Your Committees additionally find that these resources include parcels of unused property currently owned by the counties, particularly the county of Maui, some of which are ideal sites for affordable housing units.

Accordingly, your Committees have amended this measure by:

- (1) Inserting language to request the Hawaii Housing Finance and Development Corporation, Department of Accounting and General Services, and the County of Maui to explore the feasibility of transferring a parcel of property for the purpose of developing a mixed-use rental housing project and enter into a memorandum of understanding, if appropriate, to execute the transfer;
- (2) Amending its title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing 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. 67, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 67, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Ihara, Wakai).

SCRep. 1201 (Joint) Water and Land and Agriculture and Environment on S.C.R. No. 88

The purpose and intent of this measure is to urge the United States Army Corps of Engineers and Department of Land and Natural Resources to:

- (1) Collaborate to research and develop a plan for increasing water circulation in Pokai Bay on Oahu's Leeward Coast to improve water quality and mitigate environmental and health risks caused by pollution and contaminants in the water; and
- (2) Submit a report on their activities, including significant findings, cost estimates, and any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018.

Your Committees received testimony in support of this measure from eleven individuals. 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 one individual.

Your Committees find that Pokai Bay is a popular beach area on the Leeward Coast of Oahu, and over the last decade there have been reports of health and environmental concerns by beach users and the local community. Your Committees further find that concerns about water quality and the need to mitigate health and environmental risks are valid, and that greater, formal research is essential to determine the best path forward to address these concerns. Your Committees conclude that the Army Corps of Engineers and Department of Land and Natural Resources, along with additional collaborators, have the best resources to produce the necessary research and report.

Your Committees have amended this measure by:

- (1) Removing the paragraph regarding health problems among beach users as exact data has not yet been determined;
- (2) Adding the Department of Health, University of Hawaii System, City and County of Honolulu, and Waianae Coast Comprehensive Health Center as collaborators in developing the plan;
- (3) Clarifying that water quality improvement is included in the plan for Pokai Bay;
- (4) Adding the Director of Health, Mayor of the City and County of Honolulu, President of the University of Hawaii System, and Waianae Coast Comprehensive Health Center to the recipients of certified copies;
- (5) Amending its title to reflect its amended purpose; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 88, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 88, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1202 (Joint) Water and Land and Agriculture and Environment on S.R. No. 34

The purpose and intent of this measure is to urge the United States Army Corps of Engineers and Department of Land and Natural Resources to:

- (1) Collaborate to research and develop a plan for increasing water circulation in Pokai Bay on Oahu's Leeward Coast to improve water quality and mitigate environmental and health risks caused by pollution and contaminants in the water; and
- (2) Submit a report on their activities, including significant findings, cost estimates, and any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018.

Your Committees received testimony in support of this measure from eleven individuals. 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 one individual.

Your Committees find that Pokai Bay is a popular beach area on the Leeward Coast of Oahu, and over the last decade there have been reports of health and environmental concerns by beach users and the local community. Your Committees further find that concerns about water quality and the need to mitigate health and environmental risks are valid, and that greater, formal research is essential to determine the best path forward to address these concerns. Your Committees conclude that the Army Corps of Engineers and Department of Land and Natural Resources, along with additional collaborators, have the best resources to produce the necessary research and report.

Your Committees have amended this measure by:

- (1) Removing the paragraph regarding health problems among beach users as exact data has not yet been determined;
- (2) Adding the Department of Health, University of Hawaii System, City and County of Honolulu, and Waianae Coast Comprehensive Health Center as collaborators in developing the plan;
- (3) Clarifying that water quality improvement is included in the plan for Pokai Bay;
- (4) Adding the Director of Health, Mayor of the City and County of Honolulu, President of the University of Hawaii System, and Waianae Coast Comprehensive Health Center to the recipients of certified copies;
- (5) Amending its title to reflect its amended purpose; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 34, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 34, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1203 (Joint) Education and Higher Education on S.C.R. No. 138

The purpose and intent of this measure is to request the Department of Education and University of Hawaii System to develop programming and educational supports for educational assistants and long-term substitute teachers to earn teaching degrees and become full-time certified teachers.

Your Committees received testimony in support of this measure from the Hawaii Government Employees' Association, AFSCME Local 152; Hawaii State Teachers Association; and two individuals. Your Committees received comments on this measure from the Department of Education and University of Hawai'i System.

Your Committees find that Hawaii is experiencing a teacher shortage crisis, resulting in overcrowding and classes that are taught by educational assistants and long-term substitute teachers. Your Committees further find that educational assistants and substitute teachers frequently face significant obstacles to pursuing teacher certification requirements, including scheduling difficulties, lack of financial resources, and scarcity of adequate certification programming.

Your Committees have heard the testimony of the University of Hawaii System expressing concerns that stipend funding to assist educational assistants and substitute teachers will require additional resources. Your Committees request that if your Committee on Ways and Means passes this measure, that it further examine the issue of funding for stipends.

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. 138 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1204 (Joint) Education and Higher Education on S.R. No. 59

The purpose and intent of this measure is to request the Department of Education and University of Hawaii System to develop programming and educational supports for educational assistants and long-term substitute teachers to earn teaching degrees and become full-time certified teachers.

Your Committees received testimony in support of this measure from the Hawaii Government Employees' Association, AFSCME Local 152; Hawaii State Teachers Association; and two individuals. Your Committees received comments on this measure from the Department of Education and University of Hawai'i System.

Your Committees find that Hawaii is experiencing a teacher shortage crisis, resulting in overcrowding and classes that are taught by educational assistants and long-term substitute teachers. Your Committees further find that educational assistants and substitute teachers frequently face significant obstacles to pursuing teacher certification requirements, including scheduling difficulties, lack of financial resources, and scarcity of adequate certification programming.

Your Committees have heard the testimony of the University of Hawaii System expressing concerns that stipend funding to assist educational assistants and substitute teachers will require additional resources. Your Committees request that if your Committee on Ways and Means passes this measure, that it further examine the issue of funding for stipends.

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. 59 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1205 (Joint) Education and Higher Education on S.C.R. No. 157

The purpose and intent of this measure is to request that the Department of Health collaborate with the Department of Education, Hawaii Association of Independent Schools, and University of Hawaii to promote awareness of meningococcal disease and the availability of vaccines to prevent it.

Your Committees received testimony in support of this measure from the Department of Education and University of Hawai'i System. Your Committees received comments on this measure from the Department of Health.

Your Committees find that between 800 and 1,500 individuals fall ill from meningococcal disease each year, with infants under one year of age and young adults between the ages of 16 and 23 most commonly impacted by the disease. Your Committees further find that a significant percentage of individuals who fall ill from meningococcal disease suffer serious and long-lasting health impairment up to and including death, even when receiving the best treatment currently available. Your Committees additionally find that vaccination provides extremely effective protection from meningococcal disease. Your Committees also find that, in addition to vaccination, comprehensive information about the disease and effective preventative measures are valuable to students and other individuals at increased risk of exposure to meningococcal disease.

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. 157 and recommend that it be referred to your Committee on Commerce, Consumer Protection, and Health.

Signed by the Chairs on behalf of the Committees.

Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1206 (Joint) Human Services and Housing on S.C.R. No. 4

The purpose and intent of this measure is to declare homelessness to be a medical condition in the State for purposes of Medicaid eligibility and to recognize that housing instability is a major health factor that negatively affects homeless individuals' health and well-being.

Your Committees received testimony in support of this measure from Hawaii Habitat for Humanity Association, Faith Action for Community Equity, and one individual. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that homeless persons face a myriad of issues, including general health care, mental illness, substance abuse, loss of employment and income, and a lack of affordable housing. These issues affecting homeless persons also impact the general population as the costs to the entire continuum of care, including hospitals, long-term care facilities, and home-based services, for treating the State's homeless population continue to increase.

Your Committees further find that there is an integral link between health and housing, especially for individuals who are chronically homeless. Without housing, individuals often struggle to address their health conditions, while people who are unable to address their health challenges often struggle to obtain and retain housing. By recognizing the positive impact that housing stability can have on the health care of homeless individuals, committing resources to assist homeless individuals with stable housing will not only improve the health and well-being of homeless individuals, but it will also provide the State with an opportunity to incur less health care costs for homeless individuals over their lifetime.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 4 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 1207 Hawaiian Affairs on S.C.R. No. 85

The purpose and intent of this measure is to request the Office of Hawaiian Affairs (OHA) to convene a group of Hawaiian leaders, legal scholars, and Hawaiian community members to review whether the manner of selecting and seating OHA trustees could be improved through an appointment process rather than by election, consider the appropriate appointing authority, and consider how to develop a list of the best qualified potential trustees for submittal to the appointing authority.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and two individuals. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that OHA was created in part to help Native Hawaiians realize a sense of self-determination and self-government. In *Arakaki v. State*, the Ninth Circuit Court of Appeals struck the statutory and constitutional provisions limiting who could run for and be elected to OHA solely to those of Hawaiian ancestry. Your Committee further finds that the ability for Hawaiians to exercise their right to self-determination through the election of OHA trustees has been substantially diminished because non-Hawaiians are entitled to vote for and run for a position as an OHA trustee. Your Committee believes that there are well-qualified individuals with strong ties and stellar records of service to the Hawaiian community, who meet the exacting legal and fiduciary requirements of serving as a trustee, and who would consent to serving as an OHA trustee if they were appointed rather than elected.

Your Committee further finds that it is in the best interests of Hawaiian beneficiaries that the most competent, skillful, mature, and trustworthy individuals serve as trustees over the resources and policies developed and implemented by OHA to better the conditions of Hawaiian beneficiaries. There is a need to review the question of whether the manner of selecting OHA trustees may be improved through an appointment process, to consider the appropriate appointing authority, and how to develop a list of the best qualified potential trustees for submittal to the appointing authority.

Your Committee requests OHA to examine other trusts dedicated to Native Hawaiians as models, such as the Kamehameha Schools/Bishop Estate, which has maximized revenues for the trust in large part because its appointed trustees are experts in their respective fields. Further, your Committee believes that the fiduciary nature of the trustees to the beneficiaries of the trust is inimical to having elected trustees.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1208 Hawaiian Affairs on S.R. No. 33

The purpose and intent of this measure is to request the Office of Hawaiian Affairs (OHA) to convene a group of Hawaiian leaders, legal scholars, and Hawaiian community members to review whether the manner of selecting and seating OHA trustees could be improved through an appointment process rather than by election, consider the appropriate appointing authority, and consider how to develop a list of the best qualified potential trustees for submittal to the appointing authority.

Your Committee received testimony in support of this measure from the Association of Hawaiian Civic Clubs and two individuals. Your Committee received testimony in opposition to this measure from three individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that OHA was created in part to help Native Hawaiians realize a sense of self-determination and self-government. In *Arakaki v. State*, the Ninth Circuit Court of Appeals struck the statutory and constitutional provisions limiting who could run for and be elected to OHA solely to those of Hawaiian ancestry. Your Committee further finds that the ability for Hawaiians to exercise their right to self-determination through the election of OHA trustees has been substantially diminished because non-Hawaiians are entitled to vote for and run for a position as an OHA trustee. Your Committee believes that there are well-qualified individuals with strong ties and stellar records of service to the Hawaiian community, who meet the exacting legal and fiduciary requirements of serving as a trustee, and who would consent to serving as an OHA trustee if they were appointed rather than elected.

Your Committee further finds that it is in the best interests of Hawaiian beneficiaries that the most competent, skillful, mature, and trustworthy individuals serve as trustees over the resources and policies developed and implemented by OHA to better the conditions of Hawaiian beneficiaries. There is a need to review the question of whether the manner of selecting OHA trustees may be improved through an appointment process, to consider the appropriate appointing authority, and how to develop a list of the best qualified potential trustees for submittal to the appointing authority.

Your Committee requests OHA to examine other trusts dedicated to Native Hawaiians as models, such as the Kamehameha Schools/Bishop Estate, which has maximized revenues for the trust in large part because its appointed trustees are experts in their respective fields. Further, your Committee believes that the fiduciary nature of the trustees to the beneficiaries of the trust is inimical to having elected trustees.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 33 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (English, Kim).

SCRep. 1209 Economic Development, Tourism, and Technology on S.C.R. No. 129

The purpose and intent of this measure is to request that the Department of Business, Economic Development, and Tourism enter into an agreement with various agencies to develop a master plan for the Hilo International Aerospace and Technology Park.

Your Committee received testimony in support of this measure from the Pacific International Space Center for Exploration Systems and one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and High Technology Development Corporation.

Your Committee finds that the development of the Hilo International Aerospace and Technology Park will help create new jobs and support economic development in East Hawaii. The creation of a master plan for the Hilo International Aerospace and Technology Park is an important first step in creating the park. Your Committee further finds that a properly developed and executed master plan will help guide advances in technology education and career tracks for Hawaii residents.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 129 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1210 Economic Development, Tourism, and Technology on S.R. No. 53

The purpose and intent of this measure is to request that the Department of Business, Economic Development, and Tourism enter into an agreement with various agencies to develop a master plan for the Hilo International Aerospace and Technology Park.

Your Committee received testimony in support of this measure from the Pacific International Space Center for Exploration Systems and one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and High Technology Development Corporation.

Your Committee finds that the development of the Hilo International Aerospace and Technology Park will help create new jobs and support economic development in East Hawaii. The creation of a master plan for the Hilo International Aerospace and Technology Park is an important first step in creating the park. Your Committee further finds that a properly developed and executed master plan will help guide advances in technology education and career tracks for Hawaii residents.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 53 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1211 Economic Development, Tourism, and Technology on S.C.R. No. 72

The purpose and intent of this measure is to request the Auditor to conduct a management audit of the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Hawaii Lodging & Tourism Association, Island Air, and Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Hawaii Tourism Authority and five individuals.

Your Committee finds that the Hawaii Tourism Authority is an important and vital contributor to, and supporter of, the State's top industry. Since its inception, the Hawaii Tourism Authority has been the State's largest single source of public funding for marketing and promotion to help diversify and sustain the industry. The Hawaii Tourism Authority also has access to and expenditure of significant amounts of state funds; as a result, Hawaii legislators provide helpful oversight over the Hawaii Tourism Authority's spending and activities. Thus, your Committee further finds that a management audit of the Hawaii Tourism Authority and a report of findings will help the Legislature encourage prudent management of state resources and better support the vital tourism industry in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 72 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1212 Economic Development, Tourism, and Technology on S.R. No. 27

The purpose and intent of this measure is to request the Auditor to conduct a management audit of the Hawaii Tourism Authority.

Your Committee received testimony in support of this measure from the Hawaii Lodging & Tourism Association, Island Air, and Hawaii Government Employees Association. Your Committee received testimony in opposition to this measure from the Hawaii Tourism Authority and five individuals.

Your Committee finds that the Hawaii Tourism Authority is an important and vital contributor to, and supporter of, the State's top industry. Since its inception, the Hawaii Tourism Authority has been the State's largest single source of public funding for marketing and promotion to help diversify and sustain the industry. The Hawaii Tourism Authority also has access to and expenditure of significant amounts of state funds; as a result, Hawaii legislators provide helpful oversight over the Hawaii Tourism Authority's spending and activities. Thus, your Committee further finds that a management audit of the Hawaii Tourism Authority and a report of findings will help the Legislature encourage prudent management of state resources and better support the vital tourism industry in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 27 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1213 Economic Development, Tourism, and Technology on S.C.R. No. 93

The purpose and intent of this measure is to request that the Department of Taxation upgrade and modernize its communication system.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the number of calls received by the Department of Taxation's taxpayer services line can reach up to hundreds of calls per day. During high call volume, taxpayers can be put on hold for extended periods of time or told to call back at another time. Your Committee further finds that an upgrade and modernization of the Department of Taxation's communication system is important to ensure taxpayers receive timely and responsive communication.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1214 Economic Development, Tourism, and Technology on S.R. No. 37

The purpose and intent of this measure is to request that the Department of Taxation upgrade and modernize its communication system.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that the number of calls received by the Department of Taxation's taxpayer services line can reach up to hundreds of calls per day. During high call volume, taxpayers can be put on hold for extended periods of time or told to call back at another time. Your Committee further finds that an upgrade and modernization of the Department of Taxation's communication system is important to ensure taxpayers receive timely and responsive communication.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1215 (Joint) Commerce, Consumer Protection, and Health and Human Services on S.C.R. No. 76

The purpose and intent of this measure is to expand available information regarding Hawaii's homeless population by requesting that healthcare providers and health plans gather data regarding the use of publicly funded medical assistance programs by individuals experiencing homelessness.

Your Committees received testimony in support of this measure from the Department of Human Services, Governor's Coordinator on Homelessness, Hawai'i Pacific Health, and one individual.

Your Committees find that homelessness is a complex issue that continues to require urgent and challenging action in Hawaii. Chronically homeless individuals suffer from many complex health conditions that cannot be addressed without housing, and many individuals are unable to retain housing without needed social and health wrap-around services.

Your Committees further find that more data is needed to benefit the immediate case management and health needs of homeless individuals, as well as for evaluation, analysis, and insight into creative solutions to address homelessness. Specifically, information on the usage of healthcare can assist the Governor, Legislature, and public to make informed policy decisions about the allocation of resources and services necessary to assist the homeless. Your Committees find that use of the ICD-10 diagnosis codes is one method that can be utilized to gather more comprehensive information on the health needs of homeless individuals and the healthcare resources being used to treat individuals who are homeless.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 76 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1216 Commerce, Consumer Protection, and Health on S.C.R. No. 155

The purpose and intent of this measure is to reduce the detrimental health effects of sugar-sweetened beverages by requesting the Legislative Reference Bureau to conduct a study on the benefits of establishing a 1-cent per fluid ounce surcharge on the sale of sugar-sweetened beverages to fund public health programs.

Your Committee received testimony in support of this measure from the Department of Health, Department of Commerce and Consumer Affairs, American Heart Association, American Diabetes Association, Hawai'i Public Health Institute, Hawaii Primary Care Association, Hawai'i Pacific Health, and fifty-four individuals. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that consumption of sugar-sweetened beverages is linked to serious health problems, including but not limited to: weight gain, obesity, prediabetes, diabetes, tooth decay, heart disease, and other health problems. According to a 2004 study, sugared soft drinks are the single largest contributor of caloric intake in the United States. According to nutritional experts, sugar-sweetened beverages, such as non-diet soft drinks, energy drinks, sweet teas, and sports drinks, offer little or no nutritional value and contain massive quantities of added sugars and calories. For example, a twelve-ounce can of soda contains the equivalent of approximately eight to ten teaspoons of sugar, yet the American Heart Association recommends that Americans consume no more than five to nine teaspoons of sugar per day.

Your Committee notes that a recent study found that adults who consumed about one can of soda per day had a forty-six percent higher risk of developing prediabetes. Another study found that people who consume one to two cans of sugary drinks per day have a twenty-six percent greater risk of developing type two diabetes than people who rarely have such drinks. Your Committee also recognizes the link between sugar-sweetened beverages and tooth decay, due to the acids in such beverages eroding tooth enamel. Your Committee finds that young children who drink carbonated sugar-sweetened beverages have almost double the risk of dental caries, and Hawaii has the highest prevalence of tooth decay among third graders in the nation.

Finally, your Committee finds that Americans are drinking more sugar-sweetened beverages than ever before. From 1977 to 2002, Americans doubled the amount of sugar-sweetened beverages they consumed. Your Committee further finds that economic disincentives are among the most effective tools to change behavior, as tobacco taxes have demonstrated. Your Committee concludes that it is important to study the potential benefits of a sugar-sweetened beverage surcharge, as a fee on sugar-sweetened beverages could result in positive fiscal and health impacts for many people in the State.

Your Committee has amended this measure by:

- (1) Requesting the Auditor, rather than the Legislative Reference Bureau, to conduct the study on a sugar-sweetened beverage surcharge;
- (2) Inserting language to clarify that the study will assess the benefits of a sugar-sweetened beverage surcharge on sugar-sweetened beverages sold by distributors to retailers;
- (3) Deleting references to Hawaii's Deposit Beverage Container Program and suggestions to model the sugar-sweetened beverage surcharge program after it;
- (4) Amending its title 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 Commerce, Consumer Protection, and 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 your 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, 6. Noes, none. Excused, 1 (Kidani).

SCRep. 1217 Commerce, Consumer Protection, and Health on S.C.R. No. 132

The purpose and intent of this measure is to request the Auditor to conduct a comprehensive management audit of the Public Utilities Commission.

Your Committee received testimony in support of this measure from the Public Utilities Commission and Hawaii Government Employees Association, AFSCME, Local 152, AFL-CIO. Your Committee received comments on this measure from the Office of the Auditor, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, and Life of the Land.

Your Committee finds that the Public Utilities Commission is empowered and mandated to provide effective, proactive, and informed oversight of public utilities, including electric, telephone, and gas companies; sewer and water companies; interisland water carriers; and motor carriers, all of which provide services that are essential to the public interest of the State. However, over the past forty years, the Auditor has conducted management audits of the Public Utilities Commission and has consistently found serious and pervasive problems with staffing, management, and planning. Your Committee therefore finds that it is in the public interest to evaluate the efficiency and effectiveness of the Public Utilities Commission. Accordingly, this measure requests the Auditor to conduct a comprehensive management audit of the Commission.

Your Committee has heard the concerns raised by the Division of Consumer Advocacy that this measure, as written, could suggest that the role of the Consumer Advocate is one of the regulatory responsibilities under the jurisdiction of the Public Utilities Commission. Your Committee notes that although the Commission and the Division of Consumer Advocacy are administratively attached to the same department, the Commission and the Division remain separate agencies with distinct, statutorily-designated powers, duties, and obligations.

Your Committee has amended this measure by:

- (1) Clarifying that the Public Utilities Commission and the Division of Consumer Advocacy are separate agencies with distinct, statutorily-designated powers, duties, and obligations and noting the Division's inclusion in the 2004 management audit of the Commission because the Division represented the interests of all utility consumers;
- (2) Clarifying that the Auditor is requested to examine the role of the Division of Consumer Advocacy to represent, protect, and advance the interests of consumers in proceedings before the Public Utilities Commission; and
- (3) Requesting the Auditor to seek input from the State Energy Office on policy matters associated with the management audit.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 132, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1218 (Joint) Water and Land and Agriculture and Environment on S.C.R. No. 96

The purpose and intent of this measure is to request the Department of Land and Natural Resources to:

- (1) Support the use of autonomous unmanned surface vessel (AUSV) technology to detect and clean up ocean debris before it reaches Hawaii's reefs and beaches; and
- (2) Evaluate the benefits of using the AUSV system utilized by Clear Blue Sea.

Your Committees received testimony in support of this measure from Clear Blue Sea, Inc.; and two individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that ocean debris pollutes Hawaii's beaches and near shore waters, and has the potential to cause significant harm to reefs and aquatic life. Your Committees support efforts to find new and innovative ways to address the problem of marine pollution. Your Committees note that state jurisdiction extends three miles offshore, and much of the debris that ends up in Hawaii's waters and on its beaches originates from beyond the three-mile boundary.

Your Committees have amended this measure by:

- (1) Amending the purpose to request the Department of Land and Natural Resources, in collaboration with the National Oceanic and Atmospheric Administration, to explore the possibility of using autonomous unmanned surface vessel technology to detect and clean up ocean debris before it reaches Hawaii's reefs and beaches;
- (2) Making conforming amendments to reflect its amended purpose;
- (3) Amending the list of recipients;
- (4) Amending its title to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 96, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 96, S.D. 1.

Signed by the Chair and Senate President on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1219 (Joint) Water and Land and Agriculture and Environment on S.R. No. 40

The purpose and intent of this measure is to request the Department of Land and Natural Resources to:

- (1) Support the use of autonomous unmanned surface vessel (AUSV) technology to detect and clean up ocean debris before it reaches Hawaii's reefs and beaches; and
- (2) Evaluate the benefits of using the AUSV system utilized by Clear Blue Sea.

Your Committees received testimony in support of this measure from Clear Blue Sea, Inc.; and two individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that ocean debris pollutes Hawaii's beaches and near shore waters, and has the potential to cause significant harm to reefs and aquatic life. Your Committees support efforts to find new and innovative ways to address the problem of marine pollution. Your Committees note that state jurisdiction extends three miles offshore, and much of the debris that ends up in Hawaii's waters and on its beaches originates from beyond the three-mile boundary.

Your Committees have amended this measure by:

- (1) Amending the purpose to request the Department of Land and Natural Resources, in collaboration with the National Oceanic and Atmospheric Administration, to explore the possibility of using autonomous unmanned surface vessel technology to detect and clean up ocean debris before it reaches Hawaii's reefs and beaches;
- (2) Making conforming amendments to reflect its amended purpose;
- (3) Amending the list of recipients;
- (4) Amending its title to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 40, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 40, S.D. 1.

Signed by the Chair and Senate President on behalf of the Committees.

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1220 (Joint) Government Operations and Commerce, Consumer Protection, and Health on S.C.R. No. 116

The purpose and intent of this measure is to encourage each state agency and department to:

- (1) Implement a worksite wellness program consistent with Department of Human Resources Development policies and procedures; and
- (2) Identify a manager to serve as the wellness leader to collaborate with executive management and employees to create a worksite wellness infrastructure, oversee the development and implementation of employee wellness policies and committees, and provide ongoing assessment and monitoring of the effectiveness of the worksite wellness program.

Your Committees received testimony in support of this measure from the Department of Health, Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, American Heart Association, and thirty-six individuals. Your Committees received comments on this measure from the Hawaii Employer-Union Health Benefits Trust Fund (EUTF).

Your Committees find that forty-one states have state-wide wellness programs, and many offer incentives to encourage employee participation. Your Committees find that supporting and encouraging the health and wellness of State employees may lead to increased productivity in the workplace, as well as mitigate individual health care costs, much of which is borne by the State. Your Committees note that there have been ongoing efforts to develop wellness programs by EUTF, and conclude this measure will provide additional support to those efforts.

Your Committees have amended this measure by:

- (1) Amending its title to accurately reflect its purpose; 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 Government Operations and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 116, as amended herein, and recommend that it be referred to your Committees on Judiciary and Labor and Ways and Means, in the form attached hereto as S.C.R. No. 116, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 3. Noes, none. Excused, 2 (Galuteria, Tokuda).

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Kidani).

SCRep. 1221 Government Operations on S.C.R. No. 59

The purpose and intent of this measure is to urge all state departments and agencies to properly consider women-owned businesses when awarding state procurement contracts.

Your Committee received testimony in support of this measure from the State Procurement Office; Department of Transportation; IMUAlliance; AMEL Technologies, Inc.; and one individual.

Your Committee finds that according to data mined from the State Procurement Office website, it appears that women-owned architectural and engineering firms located in Hawaii are severely underrepresented in the awarding of state procurement contracts. Your Committee notes that it can be challenging to navigate and successfully enter the state contracting process when tendencies exist to award contracts to the same businesses time and again. Your Committee finds that a lack of metrics exists regarding the representation of veteran- and Native Hawaiian-owned businesses in the awarding of state contracts, but notes that in all likelihood they face similar challenges and are likewise underrepresented.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a paragraph noting that data is currently unavailable regarding the overall percent of state contracts awarded to women-, veteran-, or Native Hawaiian-owned businesses in Hawaii, but in all likelihood these businesses face challenges in procuring state contracts and are underrepresented in the state procurement process;
- (2) Inserting that veteran- and Native Hawaiian-owned business must be given proper consideration and equal opportunity for procuring state contracts if veteran- and Native Hawaiian-owned business are to succeed and achieve fair representation in the workforce;
- (3) Urging Hawaii's state departments and agencies to duly consider, in addition to women-owned businesses, veteran- and Native Hawaiian-owned business when awarding state contracts;
- (4) Urging Hawaii's state departments and agencies, including the Department of Transportation, Department of Accounting and General Services, Department of Education, and University of Hawaii System, to duly consider women-, veteran-, and Native Hawaiian-owned businesses when awarding state contracts;
- (5) Requesting the Department of Transportation, Department of Accounting and General Services, Department of Education, and University of Hawaii System to submit to the Legislature no later than October 1, 2017, a list of state contracts under their department or agency awarded to women-, veteran-, and Native Hawaiian-owned businesses in the last two years;
- (6) Amending its title to reflect its amended purpose; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 59, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 1222 (Joint) Government Operations and Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.R. No. 42

The purpose and intent of this measure is to request the applicable state and county agencies to update their administrative rules to retain or implement environmental protection standards found in specified federal laws in existence as of January 1, 2016, or January 1, 2017, whichever provide more stringent standards, regardless of actions taken at the federal level.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Conservation Council for Hawai'i, Animal Rights Hawai'i, Hawaii's Thousand Friends, and six individuals. Your Committees received comments on this measure from Life of the Land.

Your Committees find that it will increasingly be the responsibility of state and local governments to safeguard their land and water resources, protect endangered species, and preserve air quality. Your Committees note that Hawaii, with its exceptional, unique, and delicately balanced resources, the protection of which is vital to the health of the people and economy of the State, must remain vigilant in efforts to preserve its abundance of natural resources. Your Committees find that this is a public health matter of significant importance, and encouraging local leadership to take accountability and assist in ensuring strong environmental standards at a local level will benefit all people of Hawaii.

As affirmed by the records of votes of the members of your Committees on Government Operations, Public Safety, Intergovernmental, and Military Affairs, and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 42 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Government Operations: Ayes, 4. Noes, none. Excused, 1 (Tokuda).
Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).
Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Riviere).

SCRep. 1223 (Joint) Government Operations and Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on S.C.R. No. 98

The purpose and intent of this measure is to request the applicable state and county agencies to update their administrative rules to retain or implement environmental protection standards found in specified federal laws in existence as of January 1, 2016, or January 1, 2017, whichever provide more stringent standards, regardless of actions taken at the federal level.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Conservation Council for Hawai'i, Animal Rights Hawai'i, Hawaii's Thousand Friends, and six individuals. Your Committees received comments on this measure from Life of the Land.

Your Committees find that it will increasingly be the responsibility of state and local governments to safeguard their land and water resources, protect endangered species, and preserve air quality. Your Committees note that Hawaii, with its exceptional, unique, and delicately balanced resources, the protection of which is vital to the health of the people and economy of the State, must remain vigilant in efforts to preserve its abundance of natural resources. Your Committees find that this is a public health matter of significant importance, and encouraging local leadership to take accountability and assist in ensuring strong environmental standards at a local level will benefit all people of Hawaii.

As affirmed by the records of votes of the members of your Committees on Government Operations, Public Safety, Intergovernmental, and Military Affairs, and Agriculture and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 98 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Government Operations: Ayes, 4. Noes, none. Excused, 1 (Tokuda).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

Agriculture and Environment: Ayes, 4. Noes, none. Excused, 1 (Riviere).

SCRep. 1224 (Joint) Higher Education and International Affairs and the Arts and Economic Development, Tourism, and Technology on S.C.R. No. 146

The purpose and intent of this measure is to request the University of Hawaii to establish a student exchange compact between the University of Hawaii System and the University of Northern Philippines College of Hospitality and Tourism Management and the Ilocos Sur Community College Tourism Management Program.

Your Committees received testimony in support of this measure from the Consulate General of the Republic of the Philippines Honolulu and two individuals. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that a well-established, historical relationship exists between Hawaii and the Philippines, including legislative action in 1985 that established Hawaii's first sister-state relationship with the Philippines, with the Province of Ilocos Sur. Your Committees further find that Ilocos Sur Community College has an established tourism management program and the University of Northern Philippines has a college of hospitality and tourism management. Your Committees additionally find that the University of Hawaii System, through the Manoa School of Travel Industry Management, the hospitality and tourism programs of University of Hawaii West Oahu, and participating community colleges have the opportunity to become exemplary programs in hospitality, tourism, and transportation management by pursuing opportunities such as a student exchange program compact with schools in the Philippines. Your Committees appreciate the University of Hawaii's support for a Philippines-Hawaii tourism college student exchange program and recognize that implementation of such a program at the University will take some time.

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, International Affairs and the Arts, and Economic Development, Tourism, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 146, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 146, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

International Affairs and the Arts: Ayes, 3. Noes, none. Excused, 2 (English, Shimabukuro).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1225 (Joint) Higher Education and International Affairs and the Arts and Economic Development, Tourism, and Technology on S.R. No. 68

The purpose and intent of this measure is to request the University of Hawaii to establish a student exchange compact between the University of Hawaii System and the University of Northern Philippines College of Hospitality and Tourism Management and the Ilocos Sur Community College Tourism Management Program.

Your Committees received testimony in support of this measure from the Consulate General of the Republic of the Philippines Honolulu and two individuals. Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that a well-established, historical relationship exists between Hawaii and the Philippines, including legislative action in 1985 that established Hawaii's first sister-state relationship with the Philippines, with the Province of Ilocos Sur. Your Committees further find that Ilocos Sur Community College has an established tourism management program and the University of Northern Philippines has a college of hospitality and tourism management. Your Committees additionally find that the University of Hawaii System, through the Manoa School of Travel Industry Management, the hospitality and tourism programs of University of Hawaii West Oahu, and participating community colleges have the opportunity to become exemplary programs in hospitality, tourism, and transportation management by pursuing opportunities such as a student exchange program compact with schools in the Philippines.

Your Committees appreciate the University of Hawaii's support for a Philippines-Hawaii tourism college student exchange program and recognize that implementation of such a program at the University will take some time.

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, International Affairs and the Arts, and Economic Development, Tourism, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 68, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 68, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

International Affairs and the Arts: Ayes, 3. Noes, none. Excused, 2 (English, Shimabukuro).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Galuteria).

SCRep. 1226 Higher Education on S.C.R. No. 175

The purpose and intent of this measure is to urge the University of Hawaii to examine the status of the University's online programs to consider increasing its online accredited courses and degree programs.

Your Committee received testimony in support of this measure from three individuals. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that online courses and degree programs are increasingly important to provide access to education for as many students as possible. Your Committee further finds that while the University of Hawaii offers many online courses and some online degree and certificate programs, the University could make stronger efforts to expand its online accredited programs. Your Committee notes that the University of Hawaii has the opportunity to offer unique and valuable perspectives to local and out-of-state students on many issues, and to potentially make higher education an option for individuals who are not able to attend courses in person.

Your Committee has amended this measure by:

- (1) Inserting a provision urging the University of Hawaii to examine whether a reduced tuition rate for students of online courses and programs would help incentivize potential students to pursue higher education;
- (2) Requesting that the University of Hawaii Professional Assembly receive a copy; 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. 175, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 175, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1227 (Joint) Higher Education and Agriculture and Environment on S.C.R. No. 160

The purpose and intent of this measure is to request that the University of Hawaii investigate mosquito elimination techniques, the estimated cost of establishing a statewide mosquito eradication program, and the expected environmental impacts of such a program.

Your Committees received testimony in support of this measure from the Hawaii Pest Control Association, Conservation Council for Hawai'i, and four individuals. Your Committees received comments on this measure from the University of Hawai'i System, Department of Land and Natural Resources, and two individuals.

Your Committees find that mosquitos are not native to Hawaii and were introduced to the State in the late 1800s. Your Committees further find that mosquitos are a threat to human health, and without sufficient eradication efforts mosquito-borne diseases, such as dengue fever and zika virus, are likely to become established in Hawaii. Your Committees additionally find that the continued survival of the State's native forest birds also requires mosquito control and elimination.

Your Committees recognize that a Statewide Mosquito Working Group exists and is facilitated by the Department of Land and Natural Resources, and that multiple units of the University of Hawaii and other state agencies are invested in mosquito eradication research and efforts. Additionally, your Committees note that mosquito elimination techniques can be tailored, to the extent possible, to target strains of mosquitos that pose threats to human health and native animals.

Accordingly, your Committees have amended this measure by:

- (1) Deleting language about specific mosquito eradication techniques and making references to mosquito elimination techniques more general;
- (2) Inserting a provision indicating that the Department of Land and Natural Resources currently facilitates a Statewide Mosquito Working Group comprised of state and federal agencies and institutions that contribute to mosquito surveillance, control, and research;
- (3) Inserting language to request that the University of Hawaii collaborate with the Department of Land and Natural Resources to study mosquito elimination rather than the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa and the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo;

- (4) Inserting language to include consideration of organic methods of mosquito control; 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 Higher Education and Agriculture and Environment 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 your 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.

Higher Education: Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Nishihara, Ruderman).

SCRep. 1228 Higher Education on S.C.R. No. 139

The purpose and intent of this measure is to address a disparity in the allocation of funds between the Colleges of Arts and Sciences and other colleges of the University of Hawaii by requesting that the University of Hawaii at Manoa adopt a budget model that allocates resources according to a transparent and equitable formula.

Your Committee received testimony in support of this measure from the Graduate Student Organization at the University of Hawai'i at Mānoa, Associated Students of the University of Hawai'i at Mānoa, and seven individuals. Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

While your Committee is in strong support of this measure and a more equitable allocation of resources at the University of Hawaii at Manoa, your Committee finds that S.R. No. 60 (Regular Session 2017) was passed by your Committee to address the budgetary inequities at the University, and your Committee has decided to utilize this measure to respond to recent action taken by the federal Administration related to the collection of fees charged by student loan guaranty agencies when individuals default on their student loans.

Your Committee finds that on July 10, 2015, the United States Department of Education issued policy guidance clarifying that borrowers of defaulted student loans made under the Federal Family Education Loan Program were protected from a sixteen percent collection fee on their unpaid principal and interest, if they entered rehabilitation within sixty days of being contacted by their guaranty agencies. Your Committee further finds that on March 16, 2017, President Donald Trump's Administration revoked the federal guidance issued by President Obama that barred student debt collectors from charging high fees on past-due loans, making individuals who default on Federal Family Education Loan Program loans once again susceptible to a sixteen percent collection fee on their unpaid principal and interest, even if they enter rehabilitation within sixty days of being contacted by their guaranty agencies.

Your Committee notes that the recent memo by the Trump Administration could impact nearly 7,000,000 people with \$162,000,000,000 in Federal Family Education Program Loans held by guaranty agencies. Your Committee is concerned about the student loan default crisis that exists nationwide, and recent action taken by President Donald Trump's administration that fails to protect certain individuals with student loans from steep and unnecessary collection fees.

Accordingly, your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Provide a history of the situation that preceded the Dear Colleague Letter GEN 17-02 issued on March 16, 2017, by the United States Department of Education;
- (2) Urge the President of the United States and United States Department of Education to reconsider the letter and reinstate previous guidance that prohibited student loan guaranty agencies from imposing collection fees on borrowers in default who promptly enter rehabilitation agreements;
- (3) Request the Secretary of Education and Trump Administration to support legislation or take administrative action that would allow borrowers in default a chance to rehabilitate their loans and successfully repay student debt without being charged steep collection fees by guaranty agencies;
- (4) Amend its title accordingly; 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 139, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 139, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1229 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 126

The purpose and intent of this measure is to request the Judiciary to convene a task force to examine and make recommendations regarding criminal pretrial practices and procedures to maximize public safety, court appearances, and pretrial release.

Your Committee received testimony in support of this measure from the Judiciary, State of Hawai'i; Department of Public Safety; Community Alliance on Prisons; and Domestic Violence Action Center. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that reforming the correctional system to implement effective and efficient pretrial release policies is important for protecting the rights of the public and the accused. Proper pretrial release procedures allow officials to assess flight and danger risks and provide guidance for the proper supervision for different types or levels of risk. In addition, better pretrial procedures would help the State combat the overcrowding in its correctional facilities.

Your Committee has amended this measure by:

- (1) Adding a representative of the Legislative Reference Bureau to the Criminal Pretrial 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 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. 126, as amended herein, and recommends that it be referred to your Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 126, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1230 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 130

The purpose and intent of this measure is to urge the State Sheriff to create a working group to develop a plan for expanding and deploying the special operations K9 unit to combat the illicit drug abuse epidemic in the State.

Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that abuse of illicit drugs is an epidemic that threatens the health, safety, and welfare of the people in Hawaii. Drug-detecting canines, which have been widely-used across the globe, can be an effective tool in combatting this epidemic. Your Committee finds that the expanded use of drug-detecting canines may help curtail the spread of the dangerous and deadly epidemic of illicit drug abuse across the State.

However, your Committee understands the many concerns raised by the Department of Public Safety, including the expenses related to an expanded canine program and the lack of any involvement by the Department of Transportation or prosecutors' offices in the proposed working group.

Accordingly, your Committee has amended this measure by:

- (1) Shifting the focus of the working group to the development of a course of action and possible operations to combat the drug epidemic in the State, including but not limited to the possibility of expanding the statewide K9 operations unit, and making conforming amendments throughout;
- (2) Adding a representative from the Department of Transportation, United States Attorney's Office for the District of Hawaii, Department of the Attorney General, and each county prosecutors' department or office to the working group;
- (3) Amending its title to reflect the amended purpose; 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 concurs with the intent and purpose of S.C.R. No. 130, as amended herein, and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means, in the form attached hereto as S.C.R. No. 130, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1231 Public Safety, Intergovernmental, and Military Affairs on S.R. No. 54

The purpose and intent of this measure is to urge the State Sheriff to create a working group to develop a plan for expanding and deploying the special operations K9 unit to combat the illicit drug abuse epidemic in the State.

Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that abuse of illicit drugs is an epidemic that threatens the health, safety, and welfare of the people in Hawaii. Drug-detecting canines, which have been widely-used across the globe, can be an effective tool in combatting this epidemic. Your Committee finds that the expanded use of drug-detecting canines may help curtail the spread of the dangerous and deadly epidemic of illicit drug abuse across the State.

However, your Committee understands the many concerns raised by the Department of Public Safety, including the expenses related to an expanded canine program and the lack of any involvement by the Department of Transportation or prosecutors' offices in the proposed working group.

Accordingly, your Committee has amended this measure by:

- (1) Shifting the focus of the working group to the development of a course of action and possible operations to combat the drug epidemic in the State, including but not limited to the possibility of expanding the statewide K9 operations unit, and making conforming amendments throughout;
- (2) Adding a representative from the Department of Transportation, United States Attorney's Office for the District of Hawaii, Department of the Attorney General, and each county prosecutors' department or office to the working group;
- (3) Amending its title to reflect the amended purpose; 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 concurs with the intent and purpose of S.R. No. 54, as amended herein, and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means, in the form attached hereto as S.R. No. 54, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1232 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 54

The purpose and intent of this measure is to request the United States Department of Veteran Affairs to take certain actions to provide Compact of Free Association veterans equal quality and access to health care as veterans in United States territories.

Your Committee received testimony in support of this measure from the State Office of Veterans Affairs.

Your Committee finds that it is important to take care of all veterans in order to promote the public well-being. The United States entered into the Compact of Free Associations (COFA) with the Republic of Palau, Federated States of Micronesia, and Republic of the Marshall Islands for the purpose of protecting the territorial integrity of those islands. However, unlike Pacific Islanders from the United States territories of Guam and the Northern Marianas Islands, those Pacific Islanders from the COFA islands who serve the United States Department of Defense do not receive full health benefits from the Department of Defense. The lack of health benefits for veterans of the COFA nations is a glaring inequity that should not continue. Therefore, your Committee requests that the Department of Veterans Affairs provide Pacific Islander veterans of the COFA nations full health benefits. If the Department of Veterans Affairs chooses not to provide health benefits to COFA veterans, then Department of Defense recruiters are requested to inform recruits of the lack of health care benefits after service through a signed waiver.

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. 54 and recommends that it be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1233 Public Safety, Intergovernmental, and Military Affairs on S.R. No. 16

The purpose and intent of this measure is to request the United States Department of Veteran Affairs to take certain actions to provide Compact of Free Association veterans equal quality and access to health care as veterans in United States territories.

Your Committee received testimony in support of this measure from the State Office of Veterans Affairs.

Your Committee finds that it is important to take care of all veterans in order to promote the public well-being. The United States entered into the Compact of Free Associations (COFA) with the Republic of Palau, Federated States of Micronesia, and Republic of the Marshall Islands for the purpose of protecting the territorial integrity of those islands. However, unlike Pacific Islanders from the United States territories of Guam and the Northern Marianas Islands, those Pacific Islanders from the COFA islands who serve the United States Department of Defense do not receive full health benefits from the Department of Defense. The lack of health benefits for veterans of the COFA nations is a glaring inequity that should not continue. Therefore, your Committee requests that the Department of Veterans Affairs provide Pacific Islander veterans of the COFA nations full health benefits. If the Department of Veterans Affairs chooses not to provide health benefits to COFA veterans, then Department of Defense recruiters are requested to inform recruits of the lack of health care benefits after service through a signed waiver.

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. 16 and recommends that it be referred to your Committees on Commerce, Consumer Protection, and Health and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1234 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 55

The purpose and intent of this measure is to urge the City and County of Honolulu to name a street after Martin Luther King, Jr.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission.

Your Committee finds that honoring Martin Luther King, Jr., is a noble and worthy endeavor. Dr. King was a renowned advocate for nonviolent protest and civil disobedience and was a hero of the American civil rights movement. Currently, there are forty-two states that have at least one street named after Dr. King. Hawaii is one of the few remaining states that has yet to name a street in Dr. King's honor. Your Committee finds that it is important to honor Martin Luther King, Jr., and celebrate his legacy. The City and County of Honolulu is therefore urged to name a street after Martin Luther King, Jr.

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. 55 and recommends that it be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1235 Public Safety, Intergovernmental, and Military Affairs on S.R. No. 17

The purpose and intent of this measure is to urge the City and County of Honolulu to name a street after Martin Luther King, Jr.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission.

Your Committee finds that honoring Martin Luther King, Jr., is a noble and worthy endeavor. Dr. King was a renowned advocate for nonviolent protest and civil disobedience and was a hero of the American civil rights movement. Currently, there are forty-two states that have at least one street named after Dr. King. Hawaii is one of the few remaining states that has yet to name a street in Dr. King's honor. Your Committee finds that it is important to honor Martin Luther King, Jr., and celebrate his legacy. The City and County of Honolulu is therefore urged to name a street after Martin Luther King, Jr.

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. 17 and recommends that it be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1236 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 100

The purpose and intent of this measure is to:

- (1) Urge law enforcement agencies to follow the guidelines developed by the Malama Kakou Project for the testing of sexual assault evidence collection kits;
- (2) Request the appropriate law enforcement agencies to submit sexual assault evidence collection kits that meet the testing guidelines to a laboratory for testing within ninety days and subsequently follow-up with that laboratory within ninety days of the request; and
- (3) Request an annual report from the Department of the Attorney General on the testing of sexual assault evidence collection kits in the State.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons and Planned Parenthood Votes Northwest and Hawaii. Your Committee received comments on this measure from the Honolulu Police Department.

Your Committee finds that reducing the incidence of sexual assault and ensuring the rights of sexual assault victims are vital to ensuring public health and safety. A 2016 inventory of all four county police departments showed that barely ten percent of all sexual assault evidence collection kits collected in the State since 1992 had been tested. In 2016, at the direction of the Legislature, the Attorney General convened a working group to develop statewide standards and practices for the testing of sexual assault evidence collection kits. This working group developed the Malama Kakou Project, a state plan to reform the testing of sexual assault evidence collection kits. The Malama Kakou Project established guidelines to determine whether a kit should be tested, a priority order for kits that are to be tested, and a process for police departments to follow in implementing the defined criteria and priorities. Your Committee finds that the recommendations of the Malama Kakou Project would greatly enhance the process for testing sexual assault evidence collection kits. Therefore, all law enforcement agencies in the State charged with collecting sexual assault evidence collection kits are urged to follow the guidelines developed by the Malama Kakou Project.

Your Committee notes the testimony of the Honolulu Police Department regarding funding for the testing of sexual assault collection kits. New sexual assault collection kits would not be covered by the 2016 National Sexual Assault Kit Initiative (SAKI) grant. Therefore, it may be necessary to appropriate funds for the testing of new sexual assault evidence collection kits. Your Committee suggests that your Committees on Judiciary and Labor and Ways and Means inquire further into this issue of funding should they hear this resolution.

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. 100 and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1237 Public Safety, Intergovernmental, and Military Affairs on S.R. No. 44

The purpose and intent of this measure is to:

- (1) Urge law enforcement agencies to follow the guidelines developed by the Malama Kakou Project for the testing of sexual assault evidence collection kits;
- (2) Request the appropriate law enforcement agencies to submit sexual assault evidence collection kits that meet the testing guidelines to a laboratory for testing within ninety days and subsequently follow-up with that laboratory within ninety days of the request; and
- (3) Request an annual report from the Department of the Attorney General on the testing of sexual assault evidence collection kits in the State.

Your Committee received testimony in support of this measure from the Community Alliance on Prisons and Planned Parenthood Votes Northwest and Hawaii. Your Committee received comments on this measure from the Honolulu Police Department.

Your Committee finds that reducing the incidence of sexual assault and ensuring the rights of sexual assault victims are vital to ensuring public health and safety. A 2016 inventory of all four county police departments showed that barely ten percent of all sexual assault evidence collection kits collected in the State since 1992 had been tested. In 2016, at the direction of the Legislature, the Attorney General convened a working group to develop statewide standards and practices for the testing of sexual assault evidence collection kits. This working group developed the Malama Kakou Project, a state plan to reform the testing of sexual assault evidence collection kits. The Malama Kakou Project established guidelines to determine whether a kit should be tested, a priority order for kits that are to be tested, and a process for police departments to follow in implementing the defined criteria and priorities. Your

Committee finds that the recommendations of the Malama Kakou Project would greatly enhance the process for testing sexual assault evidence collection kits. Therefore, all law enforcement agencies in the State charged with collecting sexual assault evidence collection kits are urged to follow the guidelines developed by the Malama Kakou Project.

Your Committee notes the testimony of the Honolulu Police Department regarding funding for the testing of sexual assault collection kits. New sexual assault collection kits would not be covered by the 2016 National Sexual Assault Kit Initiative (SAKI) grant. Therefore, it may be necessary to appropriate funds for the testing of new sexual assault evidence collection kits. Your Committee suggests that your Committees on Judiciary and Labor and Ways and Means inquire further into this issue of funding should they hear this resolution.

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. 44 and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1238 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 82

The purpose and intent of this measure is to request the Department of Public Safety to establish a task force to make recommendations for the implementation of a correctional training and professional development office.

Your Committee received testimony in opposition to this measure from the Department of Public Safety. Your Committee received comments on this measure from the Community Alliance on Prisons.

Your Committee finds that maintaining a properly trained public safety workforce is vital to protecting the public's health, safety, and well-being. Currently, the Department of Public Safety, which employs approximately two thousand five hundred individuals, lacks a standardized training program for correctional employees. Your Committee finds that a proper training program for these employees would help to sustain a skilled and experienced workforce and assist these employees in better managing the inmate population of state correctional facilities.

Your Committee understands from the testimony of the Department of Public Safety that the Department already operates a training academy that is providing instruction to employees. Consequently, your Committee understands that the establishment of a new task force is unnecessary.

Accordingly, your Committee has amended this measure by:

- (1) Repealing the establishment of a new task force and all related task force requirements;
- (2) Requiring that the task force established pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, submit a report to the Legislature on the current status, staffing, resources, curriculum, and levels of staff participation at the Department of Public Safety training academy to the Legislature prior to the convening of the Regular Session of 2018;
- (3) Amending its title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 82, as amended herein, and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means, in the form attached hereto as S.C.R. No. 82, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1239 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 131

The purpose and intent of this measure is to urge the Governor, the Attorney General, the mayors of each county, and various state and county leaders to uphold the constitutions of the United States and Hawaii to preserve and protect civil rights and ensure the safety of immigrants in the State.

Your Committee received testimony in support of this measure from the IMUAlliance, Planned Parenthood Votes Northwest and Hawaii, and one individual.

Your Committee finds that protecting and preserving the civil rights of all members of the community are essential to promoting and protecting the public welfare. The guarantees of certain civil rights are enshrined in the federal and state constitutions. Recent actions and statements emanating from the executive branch of the federal government have created uncertainty as it relates to the protection of certain individual civil rights, particularly as those protections pertain to immigrant communities. Immigrant communities, especially in this State, make vital social, cultural, and economic contributions to our society. It is therefore critical that government work to ensure that the rights of immigrants are not illegally infringed upon. To ensure the protection of all citizens' civil rights, and particularly those of immigrants, state and county agencies and law enforcement officers are urged to uphold the federal and state constitutions and to resist any illegal actions that the federal government might take that would threaten the constitutionally protected rights of all citizens, including immigrants.

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. 131 and recommends that it be referred to your Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1240 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 117

The purpose and intent of this measure is to encourage the continuation and expansion of community-based work furlough programs to help female inmates transition back into society.

Your Committee received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Community Alliance on Prisons, and YWCA O'ahu.

Your Committee finds that supporting the expanded use of alternatives to incarceration is essential for promoting public welfare and reforming the State's correctional system. The expanded use of alternatives to incarceration is particularly important for the State's population of female inmates. The majority of female inmates are nonviolent offenders who do not pose a threat to the community. In addition, many female inmates are the mothers of minor children, and their incarceration threatens the destruction of the family unit. Further, many female offenders are re-incarcerated if they do not receive proper support during their transition back into society. Community-based work furlough programs can be an effective means of transitioning inmates back into society. Moreover, these work furlough programs can help reduce incarceration costs, reduce recidivism, and create safer communities. Accordingly, community-based work furlough programs designed to help female inmates transition back into society should be continued and expanded.

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. 117 and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1241 (Joint) Public Safety, Intergovernmental, and Military Affairs and Housing on S.C.R. No. 14

The purpose and intent of this measure is to request the counties to consider providing incentives, such as waiving infrastructure capacity costs and permitting fees, for developers to develop housing for households earning less than eighty percent of the area median income.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Habitat for Humanity Association, FACE, and one individual.

Your Committees find that the lack of affordable housing across the State is a serious issue that threatens the public's health, safety, and well-being. The cost of housing across the State has made it nearly impossible for most families to afford to buy or rent housing. Therefore, it is essential to implement policies that encourage developers to develop affordable housing. Accordingly, each of the county councils is encouraged to provide incentives, such as waiving infrastructure capacity costs and permitting fees, for developers to develop housing for households earning less than eighty percent of the area median income. The county councils are further encouraged to develop a sliding scale of incentives based on the affordability of housing units in a development and consider how such a sliding scale may encourage developers to develop more affordable housing for households earning below eighty percent and up to one hundred forty percent of the area median income.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 14 and recommend that it be referred to your 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 (Ihara, Wakai).

Housing: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Kahele).

SCRep. 1242 (Joint) Public Safety, Intergovernmental, and Military Affairs and Water and Land on S.C.R. No. 102

The purpose and intent of this measure is to endorse and adopt the United Nations seventeen sustainable development goals as part of a framework for addressing and assessing Hawaii's efforts toward social justice and sustainability and urge each county to endorse and use the same United Nations sustainable development goals to measure their efforts toward social justice and sustainability.

Your Committees received testimony in support of this measure from the Hawaii Institute for Human Rights, IMU Alliance, Planned Parenthood Votes Northwest and Hawaii, United Nations Association, and three individuals.

Your Committees find that promoting social justice and sustainability will help secure the future health, safety, and well-being of the public. In 2015, the United Nations adopted the 2030 Development Agenda aimed at ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity. The Development Agenda contains seventeen sustainable development goals. Adopting and adhering to these goals will help to ensure that as the State moves forward, no individuals in the State are left behind. Therefore, the Legislature pledges to endorse, accept, and adopt the United Nations seventeen sustainable development goals as a framework for addressing and assessing the State's progress toward sustainability and social justice. Further, the Legislature urges the county councils to also endorse and use the United Nations seventeen sustainable development goals to measure their efforts toward social justice and sustainability.

As affirmed by the records of votes of the members of your Committees on 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 S.C.R. No. 102 and recommend that it be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Wakai).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

SCRep. 1243 (Joint) Public Safety, Intergovernmental, and Military Affairs and Water and Land on S.R. No. 46

The purpose and intent of this measure is to endorse and adopt the United Nations seventeen sustainable development goals as part of a framework for addressing and assessing Hawaii's efforts toward social justice and sustainability and urge each county to endorse and use the same United Nations sustainable development goals to measure their efforts toward social justice and sustainability.

Your Committees received testimony in support of this measure from the Hawaii Institute for Human Rights, IMUAlliance, Planned Parenthood Votes Northwest and Hawaii, United Nations Association, and three individuals.

Your Committees find that promoting social justice and sustainability will help secure the future health, safety, and well-being of the public. In 2015, the United Nations adopted the 2030 Development Agenda aimed at ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity. The Development Agenda contains seventeen sustainable development goals. Adopting and adhering to these goals will help to ensure that as the State moves forward, no individuals in the State are left behind. Therefore, the Legislature pledges to endorse, accept, and adopt the United Nations seventeen sustainable development goals as a framework for addressing and assessing the State's progress toward sustainability and social justice. Further, the Legislature urges the county councils to also endorse and use the United Nations seventeen sustainable development goals to measure their efforts toward social justice and sustainability.

As affirmed by the records of votes of the members of your Committees on 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 S.R. No. 46 and recommend that it be referred to your Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Wakai).

Water and Land: Ayes, 3. Noes, none. Excused, 2 (Inouye, Kim).

SCRep. 1244 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 169

The purpose and intent of this measure is to request that the Department of Public Safety, based on the recommendation of the joint task force created pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, delay plans to build a new correctional facility on Oahu until the task force issues its final report, which will provide a comprehensive road map for reforming Hawaii's correctional system.

Your Committee received testimony in support of this measure from the Community Alliance On Prisons, IMUAlliance, Young Progressives Demanding Action, Launani Valley Community Association, and five individuals. Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that reforming the State's correctional system is vital to ensuring public safety and welfare. The Department of Public Safety has proposed to replace the Oahu Community Correctional Center with a more modern facility. This proposal has already entered the planning and site location phases. However, the Legislature has proposed legislation calling for the Department of Public Safety to instead solicit proposals to construct a larger facility at the current site of the Waiawa Correctional Facility. Moreover, the joint task force created pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, to study effective incarceration policies to improve Hawaii's correctional system, has recommended delaying the Department of Public Safety's proposed new facility as the joint task force is examining means of significantly reducing the State's prison population and creating a more cost-effective corrections system.

Your Committee understands the testimony of the Department of Public Safety indicating that the Department has already responded to some recommendations of the task force and has expanded the scope of its search for additional, appropriate sites for a new correctional facility to include possible smaller acreage sites.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that referenced a proposal to replace the current Oahu Community Correctional Center with a larger facility at the site of the Waiawa Correctional Facility;
- (2) Deleting language stating a recommendation and request to delay plans to build a new correctional facility on Oahu until the task force established pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, issues its final report;
- (3) Amending the purpose of this measure to instead request the final report of the task force established pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, to also identify sites ten acres or less in size;
- (4) Amending its title accordingly; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on 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. 169, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 169, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1245 Public Safety, Intergovernmental, and Military Affairs on S.R. No. 83

The purpose and intent of this measure is to request that the Department of Public Safety, based on the recommendation of the joint task force created pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, delay plans to build a new correctional facility on Oahu until the task force issues its final report, which will provide a comprehensive road map for reforming Hawaii's correctional system.

Your Committee received testimony in support of this measure from the Community Alliance On Prisons, IMU Alliance, Young Progressives Demanding Action, Launani Valley Community Association, and five individuals. Your Committee received comments on this measure from the Department of Public Safety.

Your Committee finds that reforming the State's correctional system is vital to ensuring public safety and welfare. The Department of Public Safety has proposed to replace the Oahu Community Correctional Center with a more modern facility. This proposal has already entered the planning and site location phases. However, the Legislature has proposed legislation calling for the Department of Public Safety to instead solicit proposals to construct a larger facility at the current site of the Waiawa Correctional Facility. Moreover, the joint task force created pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, to study effective incarceration policies to improve Hawaii's correctional system, has recommended delaying the Department of Public Safety's proposed new facility as the joint task force is examining means of significantly reducing the State's prison population and creating a more cost-effective corrections system.

Your Committee understands the testimony of the Department of Public Safety indicating that the Department has already responded to some recommendations of the task force and has expanded the scope of its search for additional, appropriate sites for a new correctional facility to include possible smaller acreage sites.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that referenced a proposal to replace the current Oahu Community Correctional Center with a larger facility at the site of the Waiawa Correctional Facility;
- (2) Deleting language stating a recommendation and request to delay plans to build a new correctional facility on Oahu until the task force established pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, issues its final report;
- (3) Amending the purpose of this measure to instead request the final report of the task force established pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, to also identify sites ten acres or less in size;
- (4) Amending its title accordingly; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental, and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 83, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 83, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1246 Public Safety, Intergovernmental, and Military Affairs on S.R. No. 38

The purpose and intent of this measure is to request the Department of the Attorney General to establish a working group to study forensic laboratories in the State.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received comments on this measure from the Department of the Attorney General and Honolulu Police Department.

Your Committee finds that supporting the development and expanded use of forensic science by law enforcement is important for protecting the public safety and welfare. Currently, the Honolulu Police Department's Scientific Investigation Section includes the only full-service forensic laboratory in the State. Other law enforcement agencies in the State have more limited facilities. To promote greater public safety, it is important to examine ways in which the use of forensic science may be expanded to these other law enforcement agencies in the State. Accordingly, the Attorney General is requested to establish a working group to examine the use of forensic science in the State, including the capabilities, staffing levels, caseloads, task completion times, accreditation requirements, and other issues related to the operation of forensic laboratories in the State.

Your Committee understands the concerns of the Department of the Attorney General regarding the need for additional time to complete the required study.

Therefore, your Committee has amended this measure by:

- (1) Requesting the working group, through the Department of the Attorney General, to submit an additional report, as an interim report, to the Legislature prior to the convening of the Regular Session of 2018;
- (2) Amending the report requested to be submitted by the working group, through the Department of the Attorney General, to be a final report and extending the deadline for submission to twenty days prior to the convening of the Regular Session of 2019; 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. 38, as amended herein, and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means, in the form attached hereto as S.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1247 Public Safety, Intergovernmental, and Military Affairs on S.C.R. No. 94

The purpose and intent of this measure is to request the Department of the Attorney General to establish a working group to study forensic laboratories in the State.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received comments on this measure from the Department of the Attorney General and Honolulu Police Department.

Your Committee finds that supporting the development and expanded use of forensic science by law enforcement is important for protecting the public safety and welfare. Currently, the Honolulu Police Department's Scientific Investigation Section includes the only full-service forensic laboratory in the State. Other law enforcement agencies in the State have more limited facilities. To promote greater public safety, it is important to examine ways in which the use of forensic science may be expanded to these other law enforcement agencies in the State. Accordingly, the Attorney General is requested to establish a working group to examine the use of forensic science in the State, including the capabilities, staffing levels, caseloads, task completion times, accreditation requirements, and other issues related to the operation of forensic laboratories in the State.

Your Committee understands the concerns of the Department of the Attorney General regarding the need for additional time to complete the required study.

Therefore, your Committee has amended this measure by:

- (1) Requesting the working group, through the Department of the Attorney General, to submit an additional report, as an interim report, to the Legislature prior to the convening of the Regular Session of 2018;
- (2) Amending the report requested to be submitted by the working group, through the Department of the Attorney General, to be a final report and extending the deadline for submission to twenty days prior to the convening of the Regular Session of 2019; 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. 94, as amended herein, and recommends that it be referred to your Committees on Judiciary and Labor and Ways and Means, in the form attached hereto as S.C.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1248 (Joint) Public Safety, Intergovernmental, and Military Affairs and Economic Development, Tourism, and Technology on S.C.R. No. 63

The purpose and intent of this measure is to request the Office of Aerospace Development to facilitate the formation of a Multinational Lunar Architecture Alliance to guide the development and implementation of a prototype lunar base on the Island of Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Island Economic Development Board; and one individual.

Your Committees find that encouraging the development of space exploration and related technologies is important for progressing toward a sustainable future. The State has long played a central role in helping develop the national space program and has long-standing ties with space-faring nations around the globe. Moreover, the Island of Hawaii, with its moon-like terrain, offers an ideal environment for multinational teams to develop, test, and validate innovative space technologies, including life support systems, telecommunications, power generation, and food production, that will be essential for future space exploration and sustainability measures. Supporting such technological testing and development will also produce valuable scientific, educational, and economic benefits for the State. Therefore, it is requested that:

- (1) The Office of Aerospace Development facilitate the formation of a Multinational Lunar Architecture Alliance to be comprised of members from state, national, and international agencies to guide the development and implementation of a prototype lunar base on the Island of Hawaii, which includes modular habitats, telerobotic systems, communications networks, cis-lunar positioning and navigation systems, and in situ resource utilization technologies;
- (2) The Multinational Lunar Architecture Alliance be launched through an International Lunar Summit in Hawaii during the fall of 2017; and
- (3) The International Lunar Summit submit a report of its recommendations, including any proposed legislation, to the Legislature and Governor prior to the convening of the Regular Session of 2018.

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 Economic Development, Tourism, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 63, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 63, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).
Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Taniguchi).

SCRep. 1249 (Joint) Public Safety, Intergovernmental, and Military Affairs and Economic Development, Tourism, and Technology on S.R. No. 21

The purpose and intent of this measure is to request the Office of Aerospace Development to facilitate the formation of a Multinational Lunar Architecture Alliance to guide the development and implementation of a prototype lunar base on the Island of Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Island Economic Development Board; and one individual.

Your Committees find that encouraging the development of space exploration and related technologies is important for progressing toward a sustainable future. The State has long played a central role in helping develop the national space program and has long-standing ties with space-faring nations around the globe. Moreover, the Island of Hawaii, with its moon-like terrain, offers an ideal environment for multinational teams to develop, test, and validate innovative space technologies, including life support systems, telecommunications, power generation, and food production, that will be essential for future space exploration and sustainability measures. Supporting such technological testing and development will also produce valuable scientific, educational, and economic benefits for the State. Therefore, it is requested that:

- (1) The Office of Aerospace Development facilitate the formation of a Multinational Lunar Architecture Alliance to be comprised of members from state, national, and international agencies to guide the development and implementation of a prototype lunar base on the Island of Hawaii, which includes modular habitats, telerobotic systems, communications networks, cis-lunar positioning and navigation systems, and in situ resource utilization technologies;
- (2) The Multinational Lunar Architecture Alliance be launched through an International Lunar Summit in Hawaii during the fall of 2017; and
- (3) The International Lunar Summit submit a report of its recommendations, including any proposed legislation, to the Legislature and Governor prior to the convening of the Regular Session of 2018.

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 Economic Development, Tourism, and Technology that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 21, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 21, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Taniguchi).

SCRep. 1250 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.C.R. No. 8

The purpose and intent of this measure is to encourage the Department of Human Services Med-QUEST Division to implement an income disregard program for workers with disabilities to enable workers with disabilities to seek or maintain employment, while also retaining necessary Medicaid benefits and supports.

Your Committees received testimony in support of this measure from the Department of Human Services, State Council on Developmental Disabilities, Hawaii Disability Rights Center, and six individuals.

Your Committees find that despite considerable progress being made over the past several decades to remove barriers to employment for individuals with disabilities, additional challenges remain for individuals with disabilities who wish to remain in the workforce, including limited health insurance options. To retain Medicaid coverage, workers with disabilities often must limit their income and assets to poverty levels. Your Committees further find that establishing an income disregard program in the Med-QUEST Division of the Department of Human Services would allow Medicaid recipients with disabilities to earn more than would otherwise be possible, while still retaining the Medicaid coverage and services these individuals need to successfully live in the community.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 8 and recommend that it be referred to your Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

SCRep. 1251 (Joint) Human Services and Commerce, Consumer Protection, and Health on S.C.R. No. 106

The purpose and intent of this measure is to request the Med-QUEST Administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues and to consider solutions that include incentive or add-on payments to encourage their transfer out of hospitals and into more appropriate settings.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii; Ohana Pacific Management Company, Inc.; and The Queen's Health Systems. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that waitlisted patients are hospitalized individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides but who cannot be transferred to a long-term care facility because of a complex medical or behavioral health need that requires more intensive services. The intensive services needed by these patients are often too costly for

long-term care facilities to provide because of the wide gap between cost of care and the reimbursement received from Medicaid, so patients remain in the hospital for many weeks or months after the appropriate date of discharge from an acute-level facility. Since long-term care facilities lack a financial incentive to assume care of individuals with complex medical issues, the reluctance of long-term care facilities to take on these patients after hospital discharge will likely worsen since the level of reimbursement will increasingly fall short of the cost of providing needed services. Therefore, it is critical to further examine this issue by considering incentives or add-on payments to the long-term care Medicaid base rate for patients with complex medical needs.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 106 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Nishihara).

SCRep. 1252 Human Services on S.C.R. No. 45

The purpose and intent of this measure is to urge the Department of Human Services to adopt rules and take all actions necessary, as permitted by federal law, to disregard the Social Security Title II benefit or any increase in that benefit that makes an individual ineligible for supplemental security income and Medicaid.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities; The Arc in Hawaii; Hawaii Disability Legal Services, LLLC; and four individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that many individuals with disabilities who have extremely low income rely on federal supplemental security income (SSI) for living expenses, but SSI alone is grossly insufficient to pay for the cost of the residential and health care services that individuals may need. Although Hawaii law authorizes a state payment supplemental to SSI for residents of certain care facilities, individuals with disabilities who have extremely low income and rely on SSI and a state payment supplemental to SSI also rely on the State's Medicaid program for medical care and home and community based services to maintain a healthy and productive life in the community.

Your Committee further finds that when a Medicaid recipient's total income exceeds the Medicaid income qualification standard, in order to retain eligibility for Medicaid, the individual must spend down all of the recipient's income until the recipient's retained income equals an arbitrary "medically needy" standard, which is the only amount the individual retains for expenses. In some cases, the cause of the individual's income exceeding the Medicaid income qualification standard is the receipt of disabled adult child benefits, which is Social Security disability income under Title II of the Social Security Act on the basis of blindness or disability that began before the individual attained the age of twenty-two. While federal law requires or permits states to disregard Social Security Act Title II benefit amounts or increases thereof to the extent that those amounts result in loss of Medicaid eligibility for four different groups of individuals, urging the Department of Human Services to adopt rules to implement these income disregards for all groups, including the group of recipients of disabled adult child benefits, will ensure that individuals with developmental disabilities who are dependent adult children will not lose support 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 concurs with the intent and purpose of S.C.R. No. 45 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1253 Human Services on S.R. No. 11

The purpose and intent of this measure is to urge the Department of Human Services to adopt rules and take all actions necessary, as permitted by federal law, to disregard the Social Security Title II benefit or any increase in that benefit that makes an individual ineligible for supplemental security income and Medicaid.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities; The Arc in Hawaii; Hawaii Disability Legal Services, LLLC; and four individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that many individuals with disabilities who have extremely low income rely on federal supplemental security income (SSI) for living expenses, but SSI alone is grossly insufficient to pay for the cost of the residential and health care services that individuals may need. Although Hawaii law authorizes a state payment supplemental to SSI for residents of certain care facilities, individuals with disabilities who have extremely low income and rely on SSI and a state payment supplemental to SSI also rely on the State's Medicaid program for medical care and home and community based services to maintain a healthy and productive life in the community.

Your Committee further finds that when a Medicaid recipient's total income exceeds the Medicaid income qualification standard, in order to retain eligibility for Medicaid, the individual must spend down all of the recipient's income until the recipient's retained income equals an arbitrary "medically needy" standard, which is the only amount the individual retains for expenses. In some cases, the cause of the individual's income exceeding the Medicaid income qualification standard is the receipt of disabled adult child benefits, which is Social Security disability income under Title II of the Social Security Act on the basis of blindness or disability that began before the individual attained the age of twenty-two. While federal law requires or permits states to disregard Social Security Act Title II benefit amounts or increases thereof to the extent that those amounts result in loss of Medicaid eligibility for four different groups of individuals, urging the Department of Human Services to adopt rules to implement these income disregards for all groups,

including the group of recipients of disabled adult child benefits, will ensure that individuals with developmental disabilities who are dependent adult children will not lose support 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 concurs with the intent and purpose of S.R. No. 11 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 1254 (Joint) Transportation and Energy and Water and Land on S.C.R. No. 103

The purpose and intent of this measure is to request the Department of Transportation, in consultation with the Department of Land and Natural Resources, City and County of Honolulu, Hawai'i Pacific University, and interested stakeholders, to conduct a study on the need for and feasibility of a ferry service between Aloha Tower Marketplace and Sand Island State Recreation Area.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received comments on this measure from one individual.

Your Committees find that there are a number of businesses on Sand Island that employ workers who commute daily from various areas on Oahu. Sand Island Access Road is the only roadway that provides access to Sand Island, which often leads to traffic congestion and delays and is burdensome to the many employees who commute daily to Sand Island. Your Committees further find that a ferry service that provides transportation between Aloha Tower Marketplace and Sand Island State Recreation Area would alleviate the traffic strain on Sand Island Access Road, improve the commute for employees who work on Sand Island by providing an alternate transportation option, and encourage more tourism-related activities at Sand Island State Recreation Area.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 103 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).
Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 1255 (Joint) Transportation and Energy and Water and Land on S.R. No. 47

The purpose and intent of this measure is to request the Department of Transportation, in consultation with the Department of Land and Natural Resources, City and County of Honolulu, Hawai'i Pacific University, and interested stakeholders, to conduct a study on the need for and feasibility of a ferry service between Aloha Tower Marketplace and Sand Island State Recreation Area.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received comments on this measure from one individual.

Your Committees find that there are a number of businesses on Sand Island that employ workers who commute daily from various areas on Oahu. Sand Island Access Road is the only roadway that provides access to Sand Island, which often leads to traffic congestion and delays and is burdensome to the many employees who commute daily to Sand Island. Your Committees further find that a ferry service that provides transportation between Aloha Tower Marketplace and Sand Island State Recreation Area would alleviate the traffic strain on Sand Island Access Road, improve the commute for employees who work on Sand Island by providing an alternate transportation option, and encourage more tourism-related activities at Sand Island State Recreation Area.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 47 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).
Water and Land: Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 1256 (Joint) Agriculture and Environment and Transportation and Energy on S.C.R. No. 121

The purpose and intent of this measure is to urge the significant growth, development, intensification, and expansion of agriculture to incorporate dedicated food and biofuel feedstock growth to achieve the goals of food and fuel sustainability and security through a Hawaii Green Fuels Initiative.

Your Committees received testimony in support of this measure from the University of Hawaii System; IMUAlliance; The Maritime Group, LLC; Clean Energy Solutions; and two individuals. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that the development of renewable fuel sources within the State has the potential to:

- (1) Enhance energy security and independence;
- (2) Provide feedstock for local livestock;
- (3) Contribute to the reduction of greenhouse gas and vehicular emissions;
- (4) Help to eliminate reliance on fossil fuels;
- (5) Enhance productivity on currently underutilized and suitable agricultural lands;

- (6) Create jobs and diversify the agricultural economy; and
- (7) Create new and increase existing markets for locally produced agricultural products.

Your Committees also find that the development of an integrated food and biofuel supply chain within Hawaii aligns with the State's goals of sustainability and increased local food production.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Transportation and Energy 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 your Committee on Ways and Means.

Signed by the Senate President and Chair on behalf of the Committees.
 Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Riviere, Ruderman).
 Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1257 (Joint) Economic Development, Tourism, and Technology and Higher Education on S.C.R. No. 170

The purpose and intent of this measure is to urge the Department of Business, Economic Development, and Tourism to create a plan to develop the West Oahu Creative Lab and to relocate the Hawaii Film Studio to West Oahu and to urge the University of Hawaii Board of Regents to approve a certain transfer of land.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and High Technology Development Corporation. Your Committees received comments on this measure from the University of Hawaii System.

Your Committees find that Waianae High School offers the Searider Production Program and the University of Hawaii West Oahu offers a bachelor's degree in creative media. Both of the creative media programs open the door to careers in the media industry. However, there are few opportunities in West Oahu for graduates in creative media programs to become employed. Your Committees further find that the establishment of the West Oahu Creative Lab and the relocation of the Hawaii Film Studio in West Oahu would promote growth in the business of creative media, and would provide local graduates employment opportunities.

Your Committees have amended this measure by:

- (1) Replacing references to the "West Oahu Creative Lab" to the "West Oahu Creative Lab Media/Film Studio Complex";
- (2) Amending its title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 170, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 170, S.D. 1.

Signed by the Chairs on behalf of the Committees.
 Economic Development, Tourism, and Technology: Ayes, 3; Ayes with Reservations (Taniguchi, Thielen). Noes, none.
 Excused, 2 (Baker, Galuteria).
 Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1258 (Joint) Economic Development, Tourism, and Technology and Higher Education on S.R. No. 84

The purpose and intent of this measure is to urge the Department of Business, Economic Development, and Tourism to create a plan to develop the West Oahu Creative Lab and to relocate the Hawaii Film Studio to West Oahu and to urge the University of Hawaii Board of Regents to approve a certain transfer of land.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and High Technology Development Corporation. Your Committees received comments on this measure from the University of Hawaii System.

Your Committees find that Waianae High School offers the Searider Production Program and the University of Hawaii West Oahu offers a bachelor's degree in creative media. Both of the creative media programs open the door to careers in the media industry. However, there are few opportunities in West Oahu for graduates in creative media programs to become employed. Your Committees further find that the establishment of the West Oahu Creative Lab and the relocation of the Hawaii Film Studio in West Oahu would promote growth in the business of creative media, and would provide local graduates employment opportunities.

Your Committees have amended this measure by:

- (1) Replacing references to the "West Oahu Creative Lab" to the "West Oahu Creative Lab Media/Film Studio Complex";
- (2) Amending its title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 84, as amended herein, and recommend that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 84, S.D. 1.

Signed by the Chairs on behalf of the Committees.
 Economic Development, Tourism, and Technology: Ayes, 3; Ayes with Reservations (Taniguchi, Thielen). Noes, none.
 Excused, 2 (Baker, Galuteria).

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1259 Commerce, Consumer Protection, and Health on S.C.R. No. 105

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for medically necessary cognitive rehabilitation therapy for survivors of traumatic brain injury.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board, Hawaii Disability Rights Center, and three individuals.

Your Committee finds that traumatic brain injury is damage to the brain caused by an external force. Traumatic brain injury may produce a diminished or altered state of consciousness and may result in an impairment of cognitive abilities or physical functioning. Although immediate acute care for traumatic brain injury has not generally been an issue, survivors may not have insurance coverage for rehabilitation care and further treatment, such as cognitive rehabilitation.

Your Committee further finds that cognitive rehabilitation is a systematically applied set of medical and therapeutic services designed to improve cognitive functioning and participation in activities that may be affected by difficulties in one or more cognitive domains. Cognitive rehabilitation therapy is central to brain injury rehabilitation and includes services provided by physicians, psychologists, physical therapists, occupational therapists, and speech-language pathologists.

Your Committee additionally finds that the Auditor last conducted an impact assessment report on cognitive rehabilitation in 2004, which reported an inconclusive finding on the mandated coverage for cognitive rehabilitation. The Auditor's 2004 report noted that the determination was hampered in part by the need for more effective evidence on effective treatments for traumatic brain injury. However, since that time, a range of studies on the treatment of traumatic brain injuries have been published. Accordingly, this measure requests the Auditor to conduct an impact assessment report on the social and financial effects of requiring coverage for medically necessary cognitive rehabilitation therapy for survivors of traumatic brain injury.

Your Committee has amended this measure by:

- (1) Specifying that cognitive rehabilitation, a systematically applied set of medical and therapeutic services designed to improve cognitive functioning and participation in activities that may be affected by difficulties in one or more cognitive domains, is central to brain injury rehabilitation;
- (2) Specifying that cognitive rehabilitation therapy services are often provided by physicians, psychologists, physical therapists, occupational therapists, and speech-language pathologists;
- (3) Including a definition of cognitive rehabilitation and requesting the Auditor to consider this definition for purposes of the impact assessment report;
- (4) Requesting the Auditor to consider specific studies related to cognitive rehabilitation; 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, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 105, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

SCRep. 1260 Water and Land on S.C.R. No. 120

The purpose and intent of this measure is to authorize the amendment of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (1) 3-9-026: seaward of 044, 045, & 048, Maunaloa, Honolulu, Oahu, for the maintenance and repair of the existing channel, concrete surge break or breakwater, seawall, step, and filled land, and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Evershine II, L.P. Your Committee received testimony in opposition to this measure from the Hawaii Audubon Society and Concerned Citizens of Hawaii Kai.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources (Board) may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on November 16, 2001, under agenda item D-13, the Board approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the channel, concrete surge break or breakwater seawall, and filled land identified in this measure. On April 25, 2008, under agenda item D-11, the Board approved an amendment to the easement to add square footage to the easement area, insert "step" as part of the purposes of the easement, and allow the easement to run with the abutting parcels.

Your Committee finds that a subsequent shoreline certification process in 2015 has shown an additional encroachment area of 3,503 square feet, more or less. On May 8, 2015, under agenda item D-14, the Board authorized the amendment of the easement by incorporating the additional encroachment area subject to an additional payment to the State of the fair market value of the easement as determined by an independent appraisal; the appraisal has since been completed, and the fair market value of the easement is \$130,000. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing channel, concrete surge break or breakwater, seawall, step, and filled land, and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee notes that the abutting property-owner reports that it is in compliance with its special management area permit regarding the pedestrian footbridge requirements, that the footbridge is currently in use and in good condition and repair, and that the property-owner intends to keep and maintain the footbridge in good condition and repair.

Your Committee has amended this measure by:

- (1) Correcting the additional area of the encroachment to be 3,503 square feet, more or less, pursuant to testimony received from the Department of Land and Natural Resources;
- (2) Amending its title to make a technical, nonsubstantive amendment; 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 S.C.R. No. 120, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 120, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Kim, Thielen).

SCRep. 1261 Commerce, Consumer Protection, and Health on H.B. No. 192

The purpose and intent of this measure is to expand the definition of “association” under the planned community association law to include certain homeowners’ associations.

Your Committee received testimony in support of this measure from Associa.

Your Committee finds that certain subdivisions in the State may not fit into the existing definition of a planned community “association”, as used in the laws regarding homeowners’ associations. The homeowners’ associations in these subdivisions are therefore unregulated and lack access to the cost-effective dispute resolution mechanisms provided for planned community associations. This measure expands the definition of “association” under the planned community association law, which will enable these subdivisions to be regulated and have access to existing mediation processes.

Your Committee further finds that existing law on voting pursuant to a proxy at a meeting of a planned community association specifies that a standard proxy form must contain boxes for a member of the association to check and indicate how a proxy is given. Proxy forms may sometimes be returned to an association’s secretary or managing agent with more than one box checked, or with nothing marked on the proxy form, which may lead to confusion over how the proxy should be counted. Your Committee concludes that amendments to this measure are necessary to clarify how such proxies should be counted.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that when a standard proxy form is authorized by an association, and the proxy is returned with no box or more than one box checked that relates to how an owner may indicate a proxy is given, the proxy shall be counted for quorum purposes only;
- (2) Updating the purpose section accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 192, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 192, 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 (Ruderman).

SCRep. 1262 Commerce, Consumer Protection, and Health on H.B. No. 917

The purpose and intent of this measure is to:

- (1) Clarify that a mutual benefit society shall maintain a minimum net worth calculated based on annual net premium revenues and net annual health care expenditures and operating expenses; and
- (2) Require approval of a reinsurer in order for net annual health care expenditures to be reduced by the amount ceded to the reinsurer.

Your Committee received testimony in support of this measure from the Hawaii Medical Assurance Association. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the Property Casualty Insurers Association of America.

Your Committee finds that this measure requires calculation of a mutual benefit society’s annual premium revenues, annual health care expenditures, and annual operating expenses on a net basis when determining the mutual benefit society’s minimum net worth for purposes of protecting against insolvency. However, according to testimony from the Department of Commerce and Consumer Affairs, the statutory requirements for calculating a mutual benefit society’s minimum net worth intend a gross, rather than net, calculation, as a mutual benefit society is ultimately responsible for all liabilities should its reinsurer fail. Furthermore, the minimum net worth is easier to manipulate if reinsurance recoveries are included in the calculation.

Your Committee further finds that this measure also requires the approval of all reinsurers by the Insurance Commissioner. The Department of Commerce and Consumer Affairs testified that all reinsurers must already be authorized or accredited for the ceding

insurer to recognize recoverable losses. Thus, the language in this measure is unlikely to have the intended effect of adding an extra level of assurance regarding recognition of recoverable losses. Furthermore, the recoverable amount from reinsurers remains a solvency concern until this amount is actually received and related transactions are settled, which may present regulatory challenges.

Your Committee notes that the companion to this measure, S.B. No. 1077, S.D. 1 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that also clarifies the minimum net worth requirements for mutual benefit societies. Your Committee concludes that the language in S.B. No. 1077, S.D. 1, is preferable because it specifies that a mutual benefit society's minimum net worth is calculated on a gross, rather than net, basis. Calculating minimum net worth on a gross basis has long been an effective way to regulate solvency and has consistently been used in the health insurance industry for mutual benefit societies, health maintenance organizations, and other health insurers.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 1077, S.D. 1, a substantially similar measure, which:

- (1) Clarifies that a mutual benefit society's minimum net worth shall be based on gross, rather than net, annual premium revenues and gross, rather than net, annual health care expenditures and operating expenses; and
- (2) Inserts an effective date of July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 917, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 917, 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, 7. Noes, none. Excused, none.

SCRep. 1263 Commerce, Consumer Protection, and Health on H.B. No. 91

The purpose and intent of this measure is to clarify that acute care hospitals are covered under the State's clean claims statute.

Your Committee received testimony in support of this measure from The Queen's Health Systems, Kaiser Permanente Hawaii, Healthcare Association of Hawaii, and Hawai'i Pacific Health.

Your Committee finds that under the State's existing clean claims statute, health plans must pay providers within thirty days for uncontested or clean claims submitted in writing and within fifteen days for clean claims submitted electronically. However, your Committee notes that revisions made to the clean claims statute in 2015 unintentionally created ambiguity regarding which types of providers are covered by this statute. This measure clarifies the definition of "health care facility" within the clean claims statute, which will clarify the intent of the clean claims law and ensure that acute care hospitals are paid in a timely fashion when uncontested or clean claims are submitted.

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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 91, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 91, 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, 7. Noes, none. Excused, none.

SCRep. 1264 Commerce, Consumer Protection, and Health on H.B. No. 239

The purpose and intent of this measure is to clarify that when a standard proxy form is returned with no boxes checked or more than one box checked, the proxy shall be deemed defective and counted for quorum purposes only.

Your Committee received testimony in support of this measure from the Hawai'i State Association of Parliamentarians, Associa, and four individuals. Your Committee received comments on this measure from the Hawaii Council of Associations of Apartment Owners and one individual.

Your Committee finds that existing law on voting pursuant to a proxy at a meeting of a condominium association specifies that a standard proxy form must contain boxes for a condominium owner to check and indicate how a proxy is given. Proxy forms may sometimes be returned to an association's secretary or managing agent with more than one box checked, or with nothing marked on the proxy form, which may lead to confusion over how the proxy should be counted. This measure attempts to clarify how such proxies should be counted.

Your Committee has heard testimony that this measure requires all proxies to be a standard proxy form authorized by an association, which will have the effect of preventing owners from using their own form of proxies. This measure also specifies that a proxy with no box checked or more than one box checked shall be deemed "defective" and counted for quorum purposes only. However, your Committee notes that if a proxy is defective, it should not be counted at all.

Your Committee notes that the companion to this measure, S.B. No. 392, S.D. 1 (Regular Session of 2017), which was previously passed by the Senate, is a substantially similar measure that also clarifies how a proxy should be counted. Your Committee concludes that the language in S.B. No. 392, S.D. 1, is preferable because it does not contain language that inadvertently prevents owners from using their own proxy forms, but clarifies that if a proxy is a standard proxy form authorized by an association, the proxy must comply with certain additional requirements. S.B. No. 392, S.D. 1, also clearly indicates that a standard proxy form authorized by an

association must contain a box, separate from the boxes that indicate how a proxy is given, indicating that an owner wishes to obtain a copy of an association's annual audit report.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 392, S.D. 1, a substantially similar measure, which:

- (1) Specifies that when a proxy is a standard proxy form authorized by an association, the proxy shall contain boxes to indicate how a proxy is given; provided that if the proxy is returned with no box or more than one box checked, relating to how an owner may indicate a proxy is given, the proxy shall be counted for quorum purposes only; and
- (2) Clarifies that a standard proxy form authorized by an association shall also contain a separate box regarding an association's annual audit report.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 239, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 239, 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, 7. Noes, none. Excused, none.

SCRep. 1265 Commerce, Consumer Protection, and Health on H.B. No. 563

The purpose and intent of this measure is to permit licensed dental hygienists in the State to operate under the general supervision of a licensed dentist, in specific circumstances.

Your Committee received testimony in support of this measure from the Board of Dental Examiners, Hawaii Dental Hygienists' Association, and five individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawaii Dental Association.

Your Committee finds that under existing law, licensed dental hygienists must operate under the direct supervision of a licensed dentist in most circumstances, meaning a supervising licensed dentist must examine each patient prior to treatment, assign and review each treatment, and remain physically present in the office or facility while the procedure is being performed. This requirement is time consuming for the dentist and restrictive for the dental hygienist.

Your Committee further finds that forty-five states authorize dental hygienists to work under some degree of general supervision, meaning a dentist must authorize a dental hygienist to perform procedures, but need not be present in the treatment facility during the performance of those procedures. Your Committee notes that existing state law permits general supervision of dental hygienists in public health settings, such as nonprofit health clinics, nursing homes, and adult day care centers or assisted living facilities.

This measure permits dental hygienists to practice under the general supervision of a licensed dentist and pursuant to an existing treatment plan for patients of record who have had an examination by the licensed dentist, but specifies that a licensed dental hygienist shall not perform any irreversible procedure or administer any intra-oral block anesthesia while under general supervision. Your Committee additionally finds that this measure gives dentists more flexibility in their practices, enables the dentistry profession to keep pace with increased patient need, and maintains safeguards for patients.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2017; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 563, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 563, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1266 Commerce, Consumer Protection, and Health on H.B. No. 1262

The purpose and intent of this measure is to permit a charter tour operator to maintain client trust accounts in a federally insured financial institution outside the State; provided that the charter tour operator allows the Department of Commerce and Consumer Affairs to access the charter tour operator's financial records through the financial institution located outside Hawaii.

Your Committee received testimony in support of this measure from Vacations Hawaii. Your Committee received testimony in opposition to this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs.

Your Committee finds that charter tour operators are currently required to maintain a client trust account in a federally insured financial institution located within the State. However, concerns have been raised regarding the lack of financial institutions in the State who are able and willing to perform these financial services for charter tour operators. This measure attempts to address these concerns by permitting a charter tour operator to maintain a client trust account in a federally insured financial institution outside of Hawaii, subject to certain conditions.

However, your Committee has heard the concerns expressed in testimony by the Regulated Industries Complaints Office that this measure poses practical enforcement challenges that may complicate the job of protecting client trust funds. Your Committee understands these concerns and finds that amendments to this measure are necessary to include additional protections for client trust funds. These amendments will help ensure that charter tour operators will be able to continue to serve Hawaii residents in the event

that a Hawaii financial institution is unwilling or unable to service a client trust account, while also maintaining sufficient consumer protections.

Your Committee has amended this measure by:

- (1) Clarifying that charter tour operators may deposit sums subject to the requirements for charter tour operator client trust accounts in a trust account maintained in a federally insured financial institution that serves as the depository bank for a public charter program, pursuant to federal regulations;
- (2) Clarifying the requirements a charter tour operator must meet prior to depositing sums in a client trust account maintained in a federally insured financial institution located outside the State, including:
 - (A) Requiring the charter tour operator to provide the Director of Commerce and Consumer Affairs with irrefutable evidence that no financial institution in the State can maintain the charter tour operator's client trust account;
 - (B) Requiring the charter tour operator to file with the Department of Commerce and Consumer Affairs a notarized irrevocable agreement and authorization, in writing, to allow the Department to examine and obtain copies of all business records maintained by the financial institution related to the client trust account;
 - (C) Requiring the charter tour operator to bear the cost of reproducing any records requested by the Department; the cost of any fees or expenses, including travel expenses, requested by the Department for purposes of an audit or to determine compliance; or any expense associated with any enforcement action taken on behalf of the Department to protect consumers or otherwise ensure compliance; and
 - (D) Enabling the Department to contract with a private consultant to audit the records of any charter tour operator, and requiring the charter tour operator to bear the costs of any such audit; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1262, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1262, 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, 7. Noes, none. Excused, none.

SCRep. 1267 (Joint) Hawaiian Affairs and Water and Land on S.C.R. No. 7

The purpose and intent of this measure is to:

- (1) Recognize the historic success of community-driven stewardship under the traditional konohiki fishing rights system in sustaining an abundant nearshore environment and a thriving population and culture throughout the islands of Hawai'i; and
- (2) Urge the Department of Land and Natural Resources to support the appropriate development, adoption, and implementation of culturally-grounded, community-driven fishery management proposals that seek to apply kipuka communities' intimate knowledge of their nearshore waters to steward, restore, and perpetuate their resources, and maintain and protect their cultural traditions and values.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Aha Moku Advisory Committee; Sierra Club of Hawaii; Kua'āina Ulu 'Auamo; Friends of Lanai; Hawaii Alliance for Progressive Action; Ho'omana Pono, LLC; Hawai'i Alliance for Progressive Action; and thirteen individuals.

Your Committees find that traditional Native Hawaiian resource management has been long-renowned for sustainably supporting a thriving population of up to a million inhabitants in the Hawaiian islands, prior to documented Western contact. Traditional ocean tenure played a key role in Native Hawaiian communities' ability to sustain themselves physically and spiritually, notwithstanding the inherently limited land resources of an island setting. The success of traditional resource management relied on ahupua'a tenants' intimate connection to and knowledge of their place, including their nearshore waters and ecosystems, as well as on the oversight of ali'i and their regional resource managers, or konohiki. Unfortunately, the konohiki fishing rights system was eventually abolished.

Notwithstanding the abolishment of the konohiki fishing rights system, a number of rural, kipuka communities continue to maintain an intimate understanding of and connection to their nearshore areas, and carry on the community-driven stewardship practices and harvesting traditions that konohiki fishing rights once protected throughout the islands. These kipuka communities have now expressed an interest to engage more formally with the State in proposing culturally-grounded and community-driven fisheries management proposals, including community-based subsistence fishery management area proposals, that can much more effectively protect, maintain, and perpetuate the resources of their nearshore waters, and ensure the continuation of cultural and subsistence traditions, values, and lifestyles for generations to come.

Your Committees further find that the success of a culturally-grounded, community-driven fishery management area can inspire other communities to develop an intimate knowledge of their own nearshore areas and work toward the restoration of their local resources and place-based traditions. The broader restoration of community-based marine resource management will improve the health of our nearshore environment, increase the food security of our residents, and sustain the cultural values and traditions that have long informed our shared understandings and unique social fabric.

As affirmed by the records of votes of the members of your Committees on 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. 7 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (English, Kim).
Water and Land: Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1268 (Joint) Education and Higher Education on S.C.R. No. 162

The purpose and intent of this measure is to request the Department of Education to coordinate with high school associations and higher education institutions in Hawaii and partner with debate organizations in organizing events for students to debate current issues affecting Hawaii and the nation.

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 Education and University of Hawaii System. Your Committees received comments on this measure from one individual.

Your Committees find that participation in debate events allows participants of diverse cultural, geographical, philosophical, and political backgrounds to have meaningful discourse on critical issues. Your Committees further find that participation in debate is especially valuable for students, and helps them to develop skills in public speaking and critical thinking, as well as knowledge of current events. This measure will facilitate greater coordination and partnerships between education institutions and debate organizations to provide valuable opportunities for Hawaii's students to participate in high-quality debate events.

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. 162 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Education: Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).
Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

SCRep. 1269 Education on S.C.R. No. 9

The purpose and intent of this measure is to urge the Department of Education to carry on its work to better engage community groups in the education of children and youth in Hawaii's public schools.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii Youth Services Network, Hawaii Afterschool Alliance, Hawaii Island School Garden Network, Native Hawaiian Education Council, Hawaii Children's Action Network, Hui for Excellence in Education, and six individuals.

Your Committee finds that engagement between schools and the community is important for the learning and development of Hawaii's students. Your Committee further finds that the Community Engagement Office of the Department of Education was established in August 2016, to coordinate and facilitate the building of collaborative partnerships, as well as afterschool and out-of-school programming. Your Committee additionally finds that organizations within the community can assist the Department of Education by providing hands-on education in real life skills. This measure will encourage the Department of Education to continue its effort to engage with the communities of Hawaii's students.

Your Committee has amended this measure by:

- (1) Clarifying that all public school students in Hawaii deserve access to safe, quality after-school programs instead of only middle and intermediate school students; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 9, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 9, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, Riviere).

SCRep. 1270 Commerce, Consumer Protection, and Health on S.C.R. No. 32

The purpose and intent of this measure is to request the Auditor to conduct a study regarding professional licensure of American Sign Language interpreters and regulation of American Sign Language interpreter referral agencies.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board and two individuals. Your Committee received testimony in opposition to this measure from Isle Interpret and three individuals. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Hawaii Registry of Interpreters for the Deaf, and one individual.

Your Committee finds that American Sign Language (ASL) interpreters provide a critical service to deaf, hard of hearing, deaf-blind, and hearing individuals and public agencies in the State who wish to effectively communicate with each other in a variety of settings and circumstances. The Disability and Communication Access Board has noted that there is an increased need statewide for communication access provided by ASL interpreters, as reflected in the number of requests made to local interpreter referral agencies. This measure therefore requests the Auditor to conduct a study on the licensure of ASL interpreters and ASL interpreter referral agencies.

However, your Committee has heard the concerns raised in testimony regarding the effects licensure may have on ASL interpreters and ASL interpreter referral agencies. Your Committee notes that there are different types of regulation available under state law, including registration, certification, and licensure, with licensure being the highest level of regulation. Your Committee also notes that Hawaii has a very small number of ASL interpreters and ASL interpreter referral agencies. According to testimony received by your Committee, there are about fifty ASL interpreters in the State. Some of the neighbor islands have fewer than five interpreters. Thus,

there are concerns that requiring full-scale licensure of ASL interpreters and ASL interpreter referral agencies could increase costs of doing business, which could potentially have a negative impact on the provision of services to deaf consumers.

Your Committee has had discussions with interested stakeholders and concludes that requiring the Auditor to conduct a sunrise analysis of ASL interpreters and ASL interpreter referral agencies is not appropriate at this time. Rather, your Committee believes that further discussion regarding the need for possible regulation and oversight of ASL interpreters and ASL interpreter referral agencies in Hawaii is needed and establishing a working group composed of interested stakeholders is the most appropriate method to address these issues. Finally, your Committee notes that the State of Hawaii is the largest purchaser of ASL interpreter services in the State, and as a Title II entity under the Americans with Disabilities Act, it is imperative that the State strive to ensure individuals who are deaf, hard of hearing, or deaf-blind are receiving high quality services from professionals who provide ASL interpreter services.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting language which:
 - (A) Requests the Department of Health's Office of Language Access and the Disability and Communication Access Board to convene a working group to examine the need for possible regulation and oversight of ASL interpreters and ASL interpreter referral agencies in Hawaii;
 - (B) Specifies the representatives or designees who shall be included in the working group;
 - (C) Requests the working group to determine the optimal level of any regulation of ASL interpreters and ASL interpreter referral agencies in Hawaii and determine the impact any such regulations would have on the availability of ASL interpreter services, including the impact on fees charged for services, credentialing, professional development for ASL interpreters, sanctions, and penalties for improper conduct if a professional licensing program were established in Hawaii;
 - (D) Specifies certain additional factors that the working group is requested to consider when conducting its review of the need for regulation and oversight of ASL interpreters and ASL interpreter referral agencies;
 - (E) Requests the working group to submit findings and recommendations, including proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018; and
 - (F) Specifies that the working group shall cease to exist on June 30, 2018; and
- (2) Updating the title of this measure to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 32, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 32, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1271 Judiciary and Labor on S.C.R. No. 78

The purpose and intent of this measure is to recognize April 15 through April 22, 2018, as Volunteer Week in Hawaii.

Your Committee received testimony in support of this measure from Kanu Hawaii and twenty-one individuals.

Your Committee finds that President Richard Nixon issued Presidential Proclamation 4288 in 1974, designating the first National Volunteer Week to recognize and encourage people to engage in their community through volunteer service. This measure recognizes Volunteer Week in Hawaii in conjunction with the observance of National Volunteer Week.

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. 78, as amended herein, and recommends its adoption 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, 1 (Kim).

SCRep. 1272 Judiciary and Labor on S.R. No. 30

The purpose and intent of this measure is to recognize April 15 through April 22, 2018, as Volunteer Week in Hawaii.

Your Committee received testimony in support of this measure from Kanu Hawaii and twenty-one individuals.

Your Committee finds that President Richard Nixon issued Presidential Proclamation 4288 in 1974, designating the first National Volunteer Week to recognize and encourage people to engage in their community through volunteer service. This measure recognizes Volunteer Week in Hawaii in conjunction with the observance of National Volunteer Week.

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.R. No. 30, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1273 Commerce, Consumer Protection, and Health on H.B. No. 561

The purpose and intent of this measure is to:

- (1) Require dentists who administer general anesthesia, deep sedation, or moderate (conscious) sedation to post notice of contact information for the Consumer Resource Center, so consumers can verify that the dentist is licensed and holds a current and valid written authorization or permit to administer anesthesia or perform sedation, request prior complaint history on a dentist or dental licensee, or file a complaint against a dentist or dental licensee; and
- (2) Require the Board of Dental Examiners to conduct an on-site inspection of a dentist's facilities, equipment, and personnel as a condition for the dentist to obtain a written authorization or permit to administer, or employ a qualified person to administer, anesthesia or sedation.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Board of Dental Examiners, and Hawaii Dental Association.

Your Committee finds that this measure requires any dentist who administers general anesthesia, deep sedation, or moderate (conscious) sedation to post notice at the dentist's place of business with contact information for the Regulated Industries Complaints Office's Consumer Resource Center. This notice requirement will ensure that consumers are able to readily identify where they can obtain important consumer protection information.

Your Committee further finds that the administration of general anesthesia, deep sedation, or moderate (conscious) sedation during routine dental procedures can be done safely as part of a routine dental procedure. However, it is important that the facilities, equipment, and staffing of a dental practice that administers these drugs are adequately equipped to respond to a patient who may experience medical complications during a procedure. This measure therefore requires the Board of Dental Examiners (Board) to conduct an on-site inspection of a dentist's facilities, equipment, and personnel as a condition for the dentist to obtain a written authorization or permit to administer anesthesia or sedation or employ a qualified person to do so.

Your Committee has heard testimony from the Board that the Board has made significant amendments to its administrative rules to address major issues regarding anesthesia and sedation and to implement the current guidelines and recommendations of the American Dental Association, American Academy of Pediatrics, and American Academy of Pediatric Dentistry. According to the Board, the existing rules are therefore of a higher standard than the requirements proposed by this measure. Your Committee appreciates these concerns but notes that because of the important consumer protection issues addressed by this measure, it is appropriate for these standards to be set in statute, and thus widely and readily available to all consumers in Hawaii. Amendments to this measure are therefore necessary to adopt certain relevant language from the Board's administrative rules.

Your Committee has amended this measure by:

- (1) Clarifying that the notice to consumers shall state that the information on the special privilege accorded to a dentist to administer general anesthesia, deep sedation, or moderate (conscious) sedation is reported by the Consumer Resource Center upon request;
- (2) Inserting language from the Hawaii Administrative Rules adopted by the Board, related to written authorizations and permits issued to licensed dentists, including:
 - (A) Specifying that a licensed dentist shall administer general anesthesia and sedation consistent with the current guidelines and recommendations of the American Dental Association and the American Academy of Pediatrics and American Academy of Pediatric Dentistry;
 - (B) Specifying that no licensed dentist shall administer, or employ another person to administer, general anesthesia, deep sedation, or moderate (conscious) sedation without possessing a written authorization or permit from the Board;
 - (C) Specifying that a licensed dentist intending to produce a given level of sedation shall have the capability to rescue patients whose level of sedation becomes deeper than initially intended;
 - (D) Requiring a licensed dentist to apply to the Board, pay an application fee, and submit evidence of the following: specific educational training requirements, including completion of the Advanced Cardiac Life Support course or, if treating pediatric patients, the Pediatric Advanced Life Support course; requirements if a dentist employs or works in conjunction with an anesthesiologist or registered nurse anesthetist; and facility and staff requirements;
 - (E) Specifying that the written authorization or permit shall be renewed biennially and requiring a licensed dentist to pay a biennial fee upon renewal; and
 - (F) Permitting the Board to reevaluate, at any time, the credentials, facilities, equipment, personnel, and procedures of a licensed dentist to determine if the dentist is still qualified to hold a written authorization or permit, and authorizing the Board to revoke or refuse to renew an authorization or permit if a licensed dentist is no longer qualified;
- (3) Inserting language from the Hawaii Administrative Rules adopted by the Board, related to inspections of facilities, equipment, and personnel, including:
 - (A) Specifying that an inspection of the facility, equipment, and personnel of a licensed dentist is to determine whether the facility and staff requirements have been met and may be carried out in a manner that generally follows the guidelines, standards, requirements, and basic principles in the American Association of Oral and Maxillofacial Surgeons' Office Anesthesia Evaluation Manual; and

- (B) Clarifying that the inspection and evaluation shall be carried out by a team of consultants appointed by the Board;
- (4) Clarifying that an on-site inspection of the facility, equipment, and personnel of a licensed dentist shall be required prior to the issuance or renewal of a written authorization or permit to administer general anesthesia, deep sedation, or moderate (conscious) sedation;
- (5) Requiring a licensed dentist to show proof of the dentist's written authorization or permit and resuscitation plan prior to the renewal of a written authorization or permit; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 561, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 561, 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 (Ruderman).

SCRep. 1274 Ways and Means on H.B. No. 1182

The purpose and intent of this measure is to increase oversight of the Employees' Retirement System by requiring:

- (1) The Employees' Retirement System actuary to conduct annual stress tests of the system to obtain projections of assets, liabilities, costs, contributions, and benefit payments; and
- (2) The Board of Trustees of the Employees' Retirement System to report the results to the Legislature.

Your Committee received written comments in support of this measure from the University of Hawaii Professional Assembly.

Your Committee received written comments on this measure from the Employees' Retirement System.

Your Committee finds that requiring the Employees' Retirement System to perform an annual stress test and report its findings to the Legislature will provide the public with a level of transparency that is currently not in place in the system and will ensure that the decisions of the Board of Trustees of the Employees' Retirement System, which can have statewide implications, are not made in a vacuum.

Your Committee has amended this measure by changing the effective date from January 7, 2059, to July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1182, 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. 1182, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1275 Ways and Means on H.B. No. 144

The purpose and intent of this measure is to protect the health and safety of persons and property in the State by reauthorizing an appropriation that is scheduled to lapse on June 30, 2017, for the mitigation of hazardous situations statewide.

Your Committee received written comments in support of this measure from the Department of Transportation and Hawaii Emergency Management Agency.

Your Committee finds that the appropriation made by Act 122, Session Laws of Hawaii 2014, to mitigate hazardous situations throughout the State has been successful and prevented significant damage from occurring during the 2016 Tropical Storm Darby event. However, the moneys appropriated by Act 122 will lapse on June 30, 2017. Therefore, it is necessary to re-appropriate the remaining unspent funds to ensure the program can continue.

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. 144, 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. 144, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1276 Commerce, Consumer Protection, and Health on H.B. No. 243

The purpose and intent of this measure is to clarify that unit renters are prohibited from serving as a board member of a condominium association.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of this measure and inserted provisions that repeal chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, on January 1, 2019, and ensures that all condominiums in the State are governed under chapter 514B, Hawaii Revised Statutes, relating to condominiums.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawai'i State Association of Parliamentarians, Associa, and three individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from nine individuals. Your Committee received comments on the proposed S.D. 1 from the Real Estate Commission; Hawaii Council of Association of Apartment Owners; Ekimoto & Morris, LLLC; ARDA Hawaii; and one individual.

Your Committee finds that two condominium chapters are currently maintained: chapter 514A, Hawaii Revised Statutes (chapter 514A), and chapter 514B, Hawaii Revised Statutes (chapter 514B). Chapter 514A is relevant only to condominium property regimes that were created before July 1, 2006, but not yet brought to market for sale. Chapter 514B has applied to all condominiums created within the State since July 1, 2006, and virtually all provisions of chapter 514B that affect the management of condominiums have applied automatically to condominiums in existence before July 1, 2006, the effective date of chapter 514B.

Your Committee further finds that although there are still some condominium projects that were created before July 1, 2006, these projects exist only on paper and have never been built and sold to anyone in the general public. Your Committee notes that the developers of such projects have had more than a decade to bring their condominium projects created under chapter 514A to market. However, the proposed S.D. 1 provides a generous window of opportunity, until January 1, 2019, for these developers to register their projects with the Real Estate Commission and bring the projects to market. Your Committee also finds that the proposed S.D. 1 is needed to eliminate the unnecessary confusion caused by maintaining two condominium chapters under Hawaii law.

Your Committee has heard testimony that an amended cross-reference in the proposed S.D. 1 may inadvertently affect a general excise tax exemption for amounts received by a manager, submanager, or board of directors of a condominium association. Your Committee understands this concern and notes that further discussion on this matter may be needed.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Including a safe harbor provision, which permits developers of projects registered under chapter 514A to register these projects under chapter 514B by January 1, 2019, and clarifies the process for such registration; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 243, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 243, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1277 Commerce, Consumer Protection, and Health on H.B. No. 651

The purpose and intent of this measure is to:

- (1) Require a consumer credit reporting agency to create a record for protected consumers, including minors under the age of sixteen and incapacitated persons, who do not have an existing credit file; and
- (2) Permit a representative of a protected consumer to place a security freeze on the protected consumer's credit report or any record created by the consumer credit reporting agency for the protected consumer.

Your Committee received testimony in support of this measure from the Office of the Consumer Protection of the Department of Commerce and Consumer Affairs, Consumer Data Industry Association, and one individual.

Your Committee finds that identity theft impacts millions of people in the country each year, with children remaining particularly vulnerable. According to the Identity Theft Assistance Center, one in forty families with children under the age of eighteen had at least one child whose personal information was compromised. Your Committee further finds that identity theft involving minors is especially concerning, as it often goes unchecked and unnoticed for years. This measure safeguards protected consumers, including minors under the age of sixteen and incapacitated persons, by offering these individuals the same protections as other consumers.

Your Committee notes that the Office of Consumer Protection and industry stakeholders have had discussions regarding the security freeze process for protected consumers established by this measure. The Office of Consumer Protection indicated to your Committee that the parties have come to an agreement regarding this measure. Amendments are therefore necessary to incorporate this consensus language.

Your Committee has amended this measure by:

- (1) Clarifying that the process for placing a security freeze or removing a security freeze includes a requirement for the protected consumer's representative to submit a request to the consumer credit reporting agency at the address or other point of contact specified by the consumer credit reporting agency;
- (2) Inserting an effective date of January 1, 2018; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1278 (Joint) Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment on H.B. No. 2

The purpose and intent of this measure is to authorize the construction of tiny homes of less than 500 square feet for farm workers in agricultural districts in a county with a population of more than 180,000 but less than 250,000.

Your Committees received testimony in support of this measure from the Hawaii Island Food Alliance; Momilani Farm; One Island Sustainable Living; Youth Challenge Academy Hilo; Pele Lani Farm, LLC; and fourteen individuals. Your Committees received testimony in opposition to this measure from the Office of Planning, State of Hawaii; and Planning Department, County of Hawaii. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that supporting agricultural production in the State is essential to ensuring the State's sustainability and health. The lack of agricultural sustainability in the State is a constant and pressing concern. One factor impeding greater agricultural production is the lack of affordable housing for farm workers, making it difficult for farms to attract and retain employees. Authorizing the construction and use of "tiny homes", small dwelling units of less than 500 square feet which may be constructed significantly more quickly and cheaply than traditional homes, as affordable housing for farm workers will help encourage healthy and productive farming and increase the State's self-sustainability.

Your Committees have amended this measure by inserting an effective date of May 22, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2, H.D. 2, 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 (Wakai).

Agriculture and Environment: Ayes, 5. Noes, none. Excused, none.

SCRep. 1279 Commerce, Consumer Protection, and Health on S.C.R. No. 133

The purpose and intent of this measure is to consider the benefits of medication synchronization by requesting the Director of Health to convene a medication synchronization working group to explore and propose legislation.

Your Committee received testimony in support of this measure from the University of Hawai'i System, Walgreen Company, CVS Health/Longs Drugs, Times Pharmacy, and one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that many states across the country are approving medication synchronization for commercial patients. Your Committee further finds that medication synchronization has the potential to improve patient health, reduce costs to insurers, and promote efficient workflow in pharmacies by allowing pharmacists and patients to work together to synchronize a patient's medications for pick-up on the same day each month. Furthermore, studies demonstrate that appointment-based medication synchronization can significantly improve medication adherence rates. Your Committee notes that medication synchronization also has the potential to simplify therapeutic regimes and improve access to care for patients living in rural areas or patients with limited means of transportation.

Your Committee has amended this measure by:

- (1) Making a technical amendment to its 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 133, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 133, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1280 Commerce, Consumer Protection, and Health on S.C.R. No. 107

The purpose and intent of this measure is to designate October 13, 2017, as Metastatic Breast Cancer Awareness Day.

Your Committee received testimony in support of this measure from the American Cancer Society Cancer Action Network and one individual.

Your Committee finds that approximately 1,140 women in Hawaii were diagnosed with breast cancer in 2015, with six percent of newly diagnosed cases of breast cancer being metastatic at the time of diagnosis and approximately thirty percent of cases becoming metastatic or recurrent. Your Committee further finds that while early detection and improved public awareness have resulted in significant progress in treatment and improved survival rates over the past thirty years, there is no cure for metastatic breast cancer, leaving patients and their families to bear the enormous burden of treatment costs, family stress, and loss. Your Committee notes that while this type of cancer remains incurable, extensive research is underway, which is hopeful for the many lives and families across the State affected by metastatic breast cancer.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 107 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1281 Ways and Means on H.B. No. 1410

The purpose and intent of this measure is to repeal the emergency medical services special fund and to appropriate general funds to the Department of Health for the state comprehensive emergency medical services system and for community paramedic services.

Your Committee received written comments in support of this measure from the County of Hawaii, County of Hawaii Fire Department, and one individual. The Department of Health submitted comments in support of part I of the measure.

Your Committee received comments on this measure from the County of Maui County Council; the Tax Foundation of Hawaii; and one individual.

Your Committee finds that the partnership between the counties and the State Emergency Management System has worked well. This measure will sustain that partnership by ensuring that it is provided a stable means of financing, rather than through the declining revenues of the emergency medical services special fund.

Your Committee has amended this measure by correcting statutory formatting errors.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1410, 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. 1410, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1282 Ways and Means on H.B. No. 595

The purpose and intent of this measure is to appropriate funds to continue the Hawaii small business innovation research program within the High Technology Development Corporation.

Your Committee received written comments in support of this measure from the High Technology Development Corporation; Makai Ocean Engineering, Inc.; Hawaii Food Industry Association; Oceanit Laboratories, Inc.; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Farm Bureau; and two individuals.

Your Committee finds that the High Technology Development Corporation is a key state agency in developing and supporting the State's innovation industry. Your Committee notes that last year, the Legislature extended the lapsing date of a previous appropriation and appropriated additional funds for the Hawaii small business innovation research program. Your Committee believes that continuing this program is important to supporting the innovation industry 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. 595, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 595, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Galuteria, Harimoto, Taniguchi).

SCRep. 1283 Ways and Means on H.B. No. 335

The purpose and intent of this measure is to appropriate funds for the operating costs of the Office of Hawaiian Affairs for fiscal year (FY) 2017-2018 and FY 2018-2019.

The Office of Hawaiian Affairs; Ho'omana Pono, LLC; Hawaii Green Growth; King Kamehameha Hawaiian Civic Club; Kua'aina Ulu 'Auamo; Democratic Party of Hawaii, Hawaiian Affairs Caucus; After-School All-Stars Hawaii; Kalihi Palama Hawaiian Civic Club; Kamehameha Schools; Hawaiian Native Corporation and its Dawson Subsidiaries; Solutions Pacific; Hawaiian Media Makers; and nine individuals submitted written comments in support of this measure.

One individual submitted written comments on this measure.

The Office of Hawaiian Affairs submitted a budget that appropriated, in total:

	<u>FY 2018</u>	<u>FY 2019</u>
General Funds	\$4,521,574	\$4,521,574
Trust Funds	\$6,102,528	\$6,102,528

Your Committee has amended this budget to appropriate:

	<u>FY 2018</u>	<u>FY 2019</u>
General Funds	\$3,891,004	\$3,891,004
Trust Funds	\$5,971,958	\$5,971,958

Your Committee has reduced \$500,000 in non-recurring general fund appropriations and elected to maintain current program funding levels for the Office of Hawaiian Affairs. Your Committee has also approved \$1,400,000 in general funds for fringe benefit increases for various programs.

Your Committee has also made technical nonsubstantive amendments for the purposes of clarity and style and to conform to recommended drafting conventions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 335, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 335, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1284 Ways and Means on H.B. No. 141

The purpose and intent of this measure is to repeal and abolish various non-general funds administered by the Office of the Governor, Office of Hawaiian Affairs, or Department of Education.

Your Committee finds that in Auditor's Reports Nos. 16-09, 16-10, and 16-11, the Auditor recommended that certain non-general funds be repealed and abolished and that any remaining funds be transferred to the general fund or other funds or accounts. Your Committee further finds that repealing and abolishing these accounts will help to eliminate the number of inactive funds or funds that do not meet the criteria for which they were established.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 141, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1285 Ways and Means on H.B. No. 147

The purpose and intent of this measure is to make amendments to the state income tax law for the purpose of deleting obsolete or unnecessary provisions.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that this housekeeping measure amends the state income tax law, codified as chapter 235, Hawaii Revised Statutes, by repealing obsolete or unnecessary provisions and 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 H.B. No. 147, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1286 Ways and Means on H.B. No. 100

The purpose and intent of this measure is to appropriate funds for the operating and capital improvement budget of the executive branch for the 2017-2019 fiscal biennium.

Your Committee received testimony in support of this measure from the Office of the Governor; Office of the Lieutenant Governor; Department of Accounting and General Services--Office of the Comptroller, Campaign Spending Commission, Office of Enterprise Technology Services, and Office of Information Practices; Department of Agriculture; Department of the Attorney General; Department of Budget and Finance; Department of Business, Economic Development and Tourism--Office of the Director, Hawaii Housing Finance and Development Corporation, and the High Technology Development Corporation; Department of Commerce and Consumer Affairs; Department of Defense; Department of Education--Office of the Superintendent, Hawaii State Public Charter School Commission; Department of Health--Executive Office on Aging; Office of Environmental Quality Control, State Council on Developmental Disabilities, and State Council on Mental Health; Department of Human Resources Development; Department of Human Services--Office of the Director; Department of Labor and Industrial Relations; Department of Land and Natural Resources--Office of the Chairperson and the Kahoolawe Island Reserve Commission; Department of Public Safety; Department of Transportation; University of Hawaii--Cancer Center; City and County of Honolulu--Board of Water Supply and the Department of Community Services; County of Kauai--Department of Water; County of Maui--Department of Water Supply and the Office on Aging; AARP Hawaii; American Bird Conservancy; Associated Students of the University of Hawaii; Bay Clinic, Inc.; Ben Dyre Family Limited Partnership; Big Island Invasive Species Committee; Catholic Charities Hawaii; Child and Family Service; Community Clinic of Maui, Inc.; Community Coalition on Universal Healthcare Through Comprehensive Planning; Conservation Council for Hawaii; Coordinating Group on Alien Pest Species (CGAPS); Democratic Party of Hawaii, Hawaiian Affairs Caucus; East Maui Watershed Partnership; FACE/Housing Now Coalition; Friends of Hakalau Forest National Wildlife Refuge; Friends of Lana'i; Full Life; Hale Kipa; Hamakua Health Center, Inc.; Hawaii'i Green Growth; Hawaii Advocates For Consumer Rights; Hawaii Children's Action Network; Hawaii'i Coalition for Immigration Reform; Hawaii County Democratic Party District 4 Council; Hawaii Fresh Water Initiative; Hawaii Meals on Wheels; Hawaii Primary Care Association; Hawaii Public Charter School Network; Hawaii State Teachers Association; Hawaii Wild Side LLC; Hawaii'i Wildlife Fund; Hawaii Youth Services Network; Healthy Climate Communities; Hawaii Chapter of the Wildlife Society; HIplan; Kalihi Palama Hawaiian Civic Club; Kamehameha Schools; Kapaakea Hawaiian Homestead Association; Kaupo Ranch Ltd.; Kohala Watershed Partnership; Koolau Mountains Watershed Partnership; La i Opuia 2020; Maui Invasive Species Committee; Molokai Community Health Center; New Life Body of Christ Christian Church; North Shore Neighborhood Board #27; Oahu Army Natural Resource Program; One World One Water, LLC; Pacific Resource Partnership; Partners in Care; PHOCUSED; Princeville Utilities Company, Inc.; Progressive Democrats of Hawaii; Sierra Club of Hawaii; Special Education Advisory Council; Stafford Capital Partners; The Kauai Watershed Alliance; The Kupuna Caucus of the Democratic Party of Hawaii; The Nature Conservancy; The Queen's Health Systems; Wahiawa General Hospital; West Maui Mountains Watershed Partnership; and one hundred seventy-two individuals.

Your Committee received testimony in opposition to this measure from The Trust for Public Land.

Your Committee received comments on this measure from Department of Business, Economic Development, and Tourism--Hawaii Strategic Development Corporation; Department of Commerce and Consumer Affairs--Public Utilities Commission; Department of Hawaiian Home Lands; Department of Health—Office of the Director and the Hawaii Health Systems Corporation; Department of Human Services--Hawaii Public Housing Authority; Department of Land and Natural Resources--Hawaii Invasive Species Council; Department of Taxation; University of Hawaii; County of Hawaii, Department of Water Supply; County of Maui, Kahoolawe Island Reserve Commission; Common Cause Hawaii; Democratic Party of Hawaii; Green Party of Hawaii; Hawaii Audubon Society; Hawaii Government Employees Association; Hawaiian Islands Land Trust; Healthcare For All Hawaii; Kauai Womens Caucus; Lana'i Changes; Oahu Invasive Species Committee; Reef Capital Ventures; Waimanalo Health Center; and thirty-nine individuals.

PART I. OVERVIEW

Given the unknown federal funding climate, rising fixed costs, and decline in state revenue collection, your Committee was assigned the difficult task of producing a budget that could help balance the six-year financial plan for the State while continuing necessary programs and services for the community.

With this in mind, your Committee focused on constructing a budget that:

- Funded fixed costs now, in order to reduce future liabilities and maintain a good credit-rating for the State;
- Continued essential programs, including those for healthcare, homelessness, education, and the environment;
- Protected social services that may sustain future reductions in federal funds; and
- Right-sized departments to run more efficiently through the elimination of redundant contract costs and long-standing vacancies.

The Administration’s initial budget submittal to the Legislature added \$833,279,397 in general funds over the fiscal biennium. Throughout the course of session, the Administration submitted various Governor’s Messages that adjusted its initial request, and reduced its requested general fund amount by \$91,035,451 for the fiscal biennium.

Your Committee has been well aware of the tax revenue situation for the State, and the likelihood that it would not improve enough to fully fund the Administration’s budget proposal. Therefore, your Committee prioritized departments’ core needs and identified operational redundancies that could be eliminated to save money. This was done against the backdrop of a lower economic growth rate, increasing community needs, and revised budget estimates for large fixed cost items such as pension payments. The Committee’s efforts in balancing these priorities and the six-year financial plan resulted in a budget that reduced the Administration’s request (as amended by Governor’s Messages) by over \$113,000,000 in general funds over the fiscal biennium.

Rather than rely on appropriating one-year funding for recurring program needs or entirely eliminating essential social services, your Committee took a more precise approach by reviewing the details for every budget request as well as each departments’ existing base budget in order to consider all possible ways to reduce costs without jeopardizing services or core functions of the State.

The following table displays the results of your Committee’s actions.

	Fiscal year 2017-2018		Fiscal year 2018-2019	
	All Funds	General Funds	All Funds	General Funds
Executive Request (Including Governor’s Messages #1, #2, #3 and #4)	\$458,337,625	\$252,025,122	\$675,599,421	\$490,218,824
Senate Draft Change To Executive Request	(\$71,534,232)	(\$62,857,390)	(\$768,818)	(\$50,929,112)

The net change made by the Senate Draft yields an executive budget for fiscal biennium 2017-2019 as follows:

	Fiscal year 2017-2018		Fiscal year 2018-2019	
	All Funds	General Funds	All Funds	General Funds
Executive Budget Act 124, SLH 2016	\$13,702,289,565	\$7,036,572,289	\$13,702,289,565	\$7,036,572,289
Net Change Of Senate Draft	\$386,803,393	\$189,167,732	\$674,830,603	439,289,712
Total Appropriation	\$14,089,092,958	\$7,225,740,021	\$14,377,120,168	\$7,475,862,001

Your Committee notes that the Administration submitted a memorandum, dated March 20, 2017, which proposed further general fund reductions. The memorandum was not submitted as a formal Governor’s Message and came to your Committee late in the deliberation process. Despite the more informal nature and lateness of the submission, your Committee did review and evaluate the proposed reductions. Your Committee agreed to some proposed cuts, and rejected others.

PART II. ECONOMY

The State of Hawaii is projected to experience continued growth. However, your Committee understands that while the economic outlook for the State is positive, growth is happening at a slower rate, and your Committee must take this into consideration when drafting a fiscally responsible state budget. Your Committee finds that:

- (1) The University of Hawaii Economic Research Organization (UHERO) projects that the real gross domestic product will grow by 2.1 percent in 2017, 1.9 percent in 2018, and 1.8 percent in 2019. The unemployment rate is projected to be 3.2 percent in 2017, 2018, and 2019;
- (2) The Department of Business, Economic Development, and Tourism projects that the real gross domestic product will grow by 1.8 percent in 2017, 1.7 percent in 2018, and 1.6 percent in 2019. The civilian unemployment rate is projected to be 3.4 percent in 2017, 3.5 percent in 2018, and 3.6 percent in 2019; and
- (3) The economy has remained relatively stable at the national level as well. The Federal Reserve, which is tasked with setting the United States’ monetary policy, raised the federal funds interest rate by a range between 0.75 percent and 1 percent on March 15, 2017. This is the second hike in three months, and while many financial institutions and experts believe the Federal Reserve should be implementing rate increases at a faster pace, many members on the Federal Reserve Board do not share this concern about inflation.

Janet Yellen, Chair of the Federal Reserve Board, indicated that she was hesitant to raise federal funds interest rates any faster. While she recognized steady growth in the U.S. economy, she nevertheless reaffirmed her belief that the board should continue with their plans to adjust the rate slowly to match the slow-growing economic indicators. Yellen stated, “The data have not notably strengthened. We haven’t changed the outlook. We think we’re moving on the same course we’ve been on.”

Hawaii’s economy appears to exemplify similar characteristics as that of the nation. Overall visitor arrivals and expenditures are estimated to continue to grow, but at a slower pace.

PART III. GENERAL FUND REVENUES

The slowing economy has resulted in lower than expected general fund tax revenues than when the Administration’s initial budget was formulated.

On March 13, 2017, the Council on Revenues (COR) lowered its general fund tax revenue growth rate forecast from 3 percent to 2.5 percent for fiscal year 2016-2017. This was the second time the COR lowered its forecast for fiscal year 2016-2017. Earlier this year, the COR lowered its forecast for fiscal year 2016-2017 from 5.5 percent to 3 percent. The most recent projections estimate the growth rate to be 4 percent for fiscal years 2017-2018 and 2018-2019, and 4.5 percent for 2019-2020.

COUNCIL ON REVENUES – DIFFERENCE IN GENERAL FUND TAX REVENUES BETWEEN FORECASTS OF MARCH 13, 2017, AND SEPTEMBER 2, 2016 (In \$Millions)			
	Fiscal Year 2016-2017	Fiscal Year 2017-2018	Fiscal Year 2018-2019
COR 03/13/17	2.5% \$6,349.2	4.0% \$6,603.1	4.0% 6,867.3
COR 09/12/16	5.5% \$6,535.0	5.0% \$6,861.8	4.4% \$7,163.7
Difference	- \$185,831	- \$258,614	- \$296,404

PART IV. OPERATING BUDGET

Accounting and General Services

The Senate Draft of the executive budget adjusts the Department of Accounting and General Services’ appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$1,709,249 in general funds and \$14,809,085 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,533,704 in general funds and \$19,034,085 in non-general funds.

The Administration’s request was to add \$125,438 in general funds and reduce \$14,809,085 in non-general funds for fiscal year 2017-2018 and reduce \$130,829 in general funds and \$19,034,085 in non-general funds for fiscal year 2018-2019.

Your Committee recognizes that one of the primary functions of the Department of Accounting and General Services is to maintain the State’s accounting system, which requires up-to-date financial infrastructure. The Department’s new payroll and time and attendance systems will replace the existing payroll system that still relies on paper processes. To this end, your Committee has continued funding and support for the maintenance and operations of these systems by providing 8.00 positions and \$4,323,008 for fiscal year 2017-2018 and 11.00 positions and \$4,452,310 for fiscal year 2018-2019 in general funds.

Your Committee has also provided 5.00 positions and \$505,585 in general funds for each fiscal year to fund operating expenses for the Campaign Spending Commission. By shifting operating expenses for the Commission from trust funds to general funds, the original intention of the Hawaii Election Campaign Fund – to support the public financing of campaigns – can be restored.

Office of Enterprise Technology Services

Your Committee recognizes and appreciates the work that the Office of Enterprise Technology Services is conducting for the State, as well as the operational efficiencies that the Office is implementing through contract negotiations and identification of redundancies.

One example of this is the carrier circuit and collocation costs for the State, in which the Office identified redundant lines and was able to reduce the funds needed to continue infrastructure maintenance. These funds are used to support network and infrastructure for essential government services, including those for health and public safety. Your Committee provided \$3,175,000 in general funds for each fiscal year to support this ongoing cost.

Your Committee understands that staffing the Office of Enterprise Technology Services requires trading-off unnecessary positions for those that can recruit more competitive applicants. Therefore, your Committee has provided 2.00 positions and \$120,000 for fiscal year 2017-2018 and \$240,000 for fiscal year 2018-2019 in general funds for network and security engineers. Your Committee appreciates the Office's willingness to reduce 14.00 positions and \$1,054,320 in general funds for each fiscal year in order to eliminate positions that are no longer needed. Additionally, your Committee has transferred 2.00 vacant positions from the Department of Human Resources Development that can be used to further help support the needs of the Office.

Agriculture

The Senate Draft of the executive budget adjusts the Department of Agriculture's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$229,631 in general funds and adding \$943,490 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$176,529 in general funds and adding \$862,136 in non-general funds.

The Administration's request was to add \$6,407,047 in general funds and \$2,666,977 in non-general funds for fiscal year 2017-2018 and reduce \$985,133 in general funds and add \$1,099,450 in non-general funds for fiscal year 2018-2019.

Your Committee provided a one-time appropriation of \$500,000 in general funds last year to address concerns related to pesticide use following a Joint-Fact Finding Study Group on Kauai. In order to continue this effort, your Committee provided \$750,000 for each fiscal year to allow the Department of Agriculture to assess and establish health, environmental, and agricultural standards related to pesticide exposure. Additionally, your Committee appropriated 3.00 positions and \$79,236 for fiscal year 2017-2018 and \$158,472 for fiscal year 2018-2019 in general funds for additional support for pesticide compliance.

Act 106, Session Laws of Hawaii 2016, created the Agricultural Food Safety Certification Program, which allows the Department of Agriculture to comply with the federal Food Safety Modernization Act. As such, your Committee appropriated 2.00 positions and \$226,134 for fiscal year 2017-2018 and \$200,000 for fiscal year 2018-2019 in general funds to continue funding for this program, which provides research, education, and information related to food safety laws and compliance.

Attorney General

The Senate Draft of the executive budget adjusts the Department of the Attorney General's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$727,844 in general funds and adding \$1,833,680 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$727,844 in general funds and adding \$1,799,156 in non-general funds.

The Administration's request was to add \$2,691,320 in general funds and \$3,225,998 in non-general funds for fiscal year 2017-2018 and \$2,641,320 in general funds and \$3,191,474 in non-general funds for fiscal year 2018-2019.

Act 161, Session Laws of Hawaii 2016, established an independent review board to make non-binding recommendations on criminal prosecution in instances where an officer-involved death occurred. Your Committee understands that the implementation of this Act requires funding and has therefore provided 1.00 legal clerk position and \$50,000 in general funds for each fiscal year to support establishment of this review board and thereby increase law enforcement transparency and accountability.

Your Committee also supports the work of the State Criminal Justice Information and Identification program and its operation of the 24x7 Criminal Justice Information Repository System. This system provides essential information to law enforcement and criminal justice agencies throughout the State, and requires software maintenance. Therefore, your Committee approved \$110,000 in general funds for each fiscal year to support the technical needs of this heavily utilized repository.

Budget and Finance

The Senate Draft of the executive budget adjusts the Department of Budget and Finance's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$16,878,021 in general funds and reducing \$3,449,038 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$240,195,865 in general funds and reducing \$6,616,972 in non-general funds.

The Administration's request was to add \$14,473,467 in general funds and reduce \$3,554,111 in non-general funds for fiscal year 2017-2018 and add \$237,814,627 in general funds and reduce \$6,722,045 in non-general funds for fiscal year 2018-2019.

Many of the State's non-discretionary cost items are centrally budgeted in the Department of Budget and Finance. These costs have seen substantial increases over the past several years and include pension benefits and healthcare insurance for active state employees and retirees, as well as other post-employment benefits. Due to recently revised actuarial projections, additional employer contributions are required to address the growing pension shortfall. Therefore, your Committee has provided \$34,625,428 for fiscal year 2017-2018 and \$70,673,178 for fiscal year 2018-2019 in general funds in order to gradually phase-in these additional employer contribution costs. Phasing-in these costs now is a mechanism to address a growing long-term liability for the State, as well as to ensure that resources remain available to fund current needs and priorities.

Your Committee also recognizes the State's commitment to provide separation benefits for employees affected by the transfer of the Hawaii Health Systems Corporation's Maui Region to Kaiser Permanente pursuant to Act 103, Session Laws of 2015. Therefore, your Committee provided \$30,637,298 in general funds for fiscal year 2017-2018 to assist public employees who may be displaced due to the transfer.

To help offset these funding needs, your Committee looked into the budget assumptions that the Department uses when projecting the costs for their debt-service and fringe benefit requirements. By conservatively revising these assumptions based on current market conditions and recent lapse data, your Committee saved \$6,343,750 for fiscal year 2017-2018 and \$17,468,750 for fiscal year 2018-2019 in general funds.

Business, Economic Development, and Tourism

The Senate Draft of the executive budget adjusts the Department of Business, Economic Development, and Tourism's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$2,595,349 in general funds and \$71,093,943 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$3,594,477 in general funds and \$70,549,943 in non-general funds.

The Administration's request was to add \$3,581,055 in general funds and reduce \$58,568,838 in non-general funds for fiscal year 2017-2018 and reduce \$1,257,489 in general funds and \$114,362,838 in non-general funds for fiscal year 2018-2019.

Your Committee recognizes the need for more affordable housing and transit-oriented development. As such, your Committee provided 1.00 planner position and \$27,718 in general funds for fiscal year 2017-2018 and \$55,236 in general funds for fiscal year 2018-2019 to continue the efforts of the Special Action Team on Affordable Rental Housing created through Act 127, Session Laws of Hawaii 2016. Your Committee also provided 1.00 planner position and \$29,868 in general funds for fiscal year 2017-2018 and \$59,736 in general funds for fiscal year 2018-2019 to support the Inter-Agency Council for Transit-Oriented Development projects created through Act 130, Session Laws of Hawaii 2016. Your Committee has further provided 1.00 planner position and \$25,386 in general funds for fiscal year 2017-2018 and \$50,772 in general funds for fiscal year 2018-2019 to ensure compliance with Land Use Commission decisions and orders.

Your Committee understands the contributions of small businesses to economic development. As such, your Committee provided 1.00 permanent position and \$14,000 in general funds for fiscal year 2017-2018 and \$28,000 in general funds for fiscal year 2018-2019 to assist the Small Business Regulatory Review Board in its duties to identify and comment on the business impacts of existing administrative rules and regulations.

Commerce and Consumer Affairs

The Senate Draft of the executive budget adjusts the Department of Commerce and Consumer Affairs' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$3,780,225 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$3,366,716 in non-general funds.

The Administration's request was to add \$7,577,865 in non-general funds for fiscal year 2017-2018 and \$6,007,392 in non-general funds and for fiscal year 2018-2019.

Your Committee approved 1.00 position and \$42,400 in trust funds for fiscal year 2017-2018 and \$84,000 in trust funds for fiscal year 2018-2019 for condominium education. Your Committee recognizes the necessity for a resource that provides important information to the community regarding transactions surrounding condominiums. Your Committee understands the importance of eliminating confusion and distress regarding housing.

Your Committee also recognizes the need for consultants regarding important energy and utility cases that impact the daily lives of the residents of Hawaii. These upcoming cases will lay the blueprints for Hawaii's energy future. Your Committee approved \$200,000 in special funds for fiscal year 2017-2018 for consultant services to meet this need.

Defense

The Senate Draft of the executive budget adjusts the Department of Defense's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$1,270,723 in general funds and adding \$376,292 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,509,722 in general funds and \$1,382,808 in non-general funds.

The Administration's request was to reduce \$1,035,255 in general funds and \$1,583,563 in non-general funds for fiscal year 2017-2018 and \$1,557,728 in general funds and \$1,503,563 in non-general funds for fiscal year 2018-2019.

Your Committee recognizes the importance of honoring and supporting our veterans. Your Committee has provided 1.00 Veterans Services Counselor position and \$50,772 in general funds for each fiscal year. Your Committee is also aware of the significant safety hazards identified at the Hawaii State Veterans Cemetery. Therefore your Committee has provided \$768,000 in general funds for fiscal year 2017-2018 and \$464,000 in general funds for fiscal year 2018-2019 for tree trimming and removal.

In support of the Department of Defense's efforts to improve its financial management and accountability, your Committee has provided 2.00 positions and \$48,223 in general funds for fiscal year 2017-2018 and \$86,346 in general funds for fiscal year 2018-2019 for fiscal and administrative support.

Education

The Senate Draft of the executive budget adjusts the Department of Education's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$52,131,601 in general funds and \$5,667,548 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$57,297,239 in general funds and \$5,667,548 in non-general funds.

The Administration's request was to add \$64,287,540 in general funds and \$2,867,548 in non-general funds for fiscal year 2017-2018 and \$65,848,291 in general funds and \$2,867,548 in non-general funds for fiscal year 2018-2019.

Regular Education

Your Committee is committed to investing in our keiki and to providing support so that all keiki have the means to succeed in the public school system. In 2015, the Legislature appropriated general funds to increase access and quality of health services for Hawaii's public school students through the Hawaii keiki: healthy and ready to learn program. Aware of the success of the Hawaii keiki program, your Committee approved \$2,800,000 in general funds and \$2,800,000 in federal funds for each fiscal year to continue and expand collaboration between health, human services, and education policymakers and providers. The expansion of the Hawaii keiki program will strengthen critical school-based health services in the State to meet the academic and health needs of Hawaii's public school students.

Your Committee has also approved \$1,000,000 in general funds for each fiscal year for the Early College High School Program, to support the success of the initiative and encourage more opportunities for Hawaii's public high school students to earn college credits before they graduate from high school.

Your Committee approved \$2,500,000 in general funds for fiscal year 2017-2018 and \$4,000,000 in general funds for fiscal year 2018-2019 to account for the projected shortfall in the Department of Education's school service and maintenance budget. This amount restores a projection of costs that was not included in the Governor's proposed budget.

Libraries

The Senate Draft of the executive budget adjusts the Hawaii State Libraries' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,438,286 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,614,149 in general funds.

The Administration's request was to add \$1,295,169 in general funds for fiscal year 2017-2018 and to add \$1,480,317 in general funds for fiscal year 2018-2019.

Your Committee believes in the mission of the state libraries, and recognizes their ability to serve all segments of the population and encourage educational growth and learning. Your Committee is aware of the Comptroller's memorandum, which outlines \$1,000,000 of outstanding repair and maintenance projects for the libraries statewide. To help with this effort, your Committee approved \$250,000 in general funds for each fiscal year to raise the base budget for repair and maintenance to \$750,000. This will help the libraries address their outstanding backlog. This amount restores a budget request that was zeroed out by the Governor in the Governor's proposed budget.

State libraries serve as a resource for our communities and are sometimes the only resource for research or educational materials and computer access for persons experiencing homelessness. Your Committee is aware of the housing challenges in our State and supports the Governor's Homeless Taskforce by providing 1.00 position for the Office of the State Librarian and \$23,466 in general funds for fiscal year 2017-2018 and \$46,932 in general funds for fiscal year 2018-2019. This position will develop partnerships between the library system and other governmental and nonprofit agencies focused on people experiencing homelessness.

With the opening of the new Nanakuli Public Library, your Committee approved an additional 6.50 positions and \$50,799 in general funds for fiscal year 2017-2018 and \$203,196 in general funds for fiscal year 2018-2019. The new state-of-the-art library is under construction and due to open in early 2018. The additional positions and funds will fully staff the library, so that all special services, including business development and cultural programming, will be available to the community.

Charter Schools

The Senate Draft of the executive budget adjusts the Charter Schools' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$9,651,776 in general funds and \$302,150 in federal funds; and
- (2) For fiscal year 2018-2019, by adding \$9,944,866 in general funds and \$302,150 in federal funds.

The Administration's request was to add \$11,336,693 in general funds and \$302,150 in federal funds for fiscal year 2017-2018 and to add \$11,419,807 in general funds and \$302,150 in federal funds for fiscal year 2018-2019.

Your Committee is committed to supporting Hawaii's public charter schools and has provided \$9,651,776 in general funds for fiscal year 2017-2018 and \$9,944,866 in general funds for fiscal year 2018-2019. This amount is based on the per-pupil allocation for charter schools.

Early Learning

The Senate Draft of the executive budget adjusts the Early Learning program appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$230,414 in general funds; and
- (2) For fiscal year 2018-2019, by adding \$679,152 in general funds.

The Administration's request was to add \$89,486 in general funds for fiscal year 2017-2018 and to add \$118,070 in general funds for fiscal year 2018-2019.

Your Committee greatly appreciates the work that the Executive Office on Early Learning has done to improve the pre-kindergarten program. Your Committee is also aware of the understaffing in the Office and has thus provided 5.00 positions and \$53,733 in general funds for fiscal year 2017-2018 and \$82,317 in general funds for fiscal year 2018-2019 to re-establish the Executive Office on Early

Learning. Currently, the Executive Office on Early Learning contains only one staff member, the Executive Director. The additional positions will allow the Director to focus on the long-term objectives of the Office and receive much needed staff support.

Your Committee recognizes the steady success of the public pre-kindergarten program and has thus approved \$136,688 in general funds for fiscal year 2017-2018, and 10.00 positions and \$556,842 in general funds for fiscal year 2018-2019 for five new public pre-kindergarten classrooms. These funds support the Pre-Kindergarten and Induction Program and restore funding that was zeroed out by the Governor in the Governor's proposed budget.

Governor

The Senate Draft of the executive budget adjusts the Office of the Governor's appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$295,226 in general funds; and
- (2) For fiscal year 2018-2019, by reducing \$295,226 in general funds.

The Administration's request was to add \$184,035 in general funds for fiscal year 2017-2018 and to add \$184,035 in general funds for fiscal year 2018-2019.

Your Committee recognizes that providing executive direction for the State is a difficult task before the Office of the Governor. While your Committee has been supportive in trying to increase the capacity of the Governor's Office to effectuate its priorities, concerns remain over the Office of Military Affairs and Federal Grants Maximization. Your Committee remains uncertain as to both the utilization and purpose of the Office, and believes that it may not be fiscally prudent to continue its operations without a clear indication of the benefits to the State. Your Committee has therefore reduced 2.00 positions and \$337,228 in general funds for the Office of Military Affairs and Federal Grants Maximization.

Your Committee also understands that the Director of Human Resources Development has been filling the Chief Negotiator position for the State, and therefore, was able to realize savings by reducing 1.00 position and \$109,200 in general funds for each fiscal year for the vacant Chief Negotiator position. Your Committee also provided \$117,167 in general funds for each fiscal year to fund previously unbudgeted membership fees for national and regional organizations for the Office of the Governor.

Hawaiian Home Lands

The Senate Draft of the executive budget adjusts the Department of Hawaiian Home Lands appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,195,390 in general funds and reducing \$9,484,159 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$1,195,390 in general funds and reducing \$9,484,159 in non-general funds.

The Administration's request was to add \$1,195,390 in general funds and reduce \$31,484,159 in non-general funds for fiscal year 2017-2018 and to add \$1,195,390 in general funds and reduce \$31,484,159 in non-general funds for fiscal year 2018-2019.

Your Committee understands and recognizes the importance of the Department of Hawaiian Home Lands and its mission of serving its beneficiaries.

Your Committee has provided \$6,865,887 in general funds for each fiscal year for fringe benefit funding for the Department of Hawaiian Home Lands general funded positions.

Health

The Senate Draft of the executive budget adjusts the Department of Health's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$14,445,630 in general funds and \$52,410,524 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$18,004,450 in general funds and \$8,344,305 in non-general funds.

The Administration's request was to add \$19,423,885 in general funds and \$52,363,112 in non-general funds for fiscal year 2017-2018 and \$22,341,849 in general funds and \$8,296,893 in non-general funds for fiscal year 2018-2019.

Aging and Disability

Your Committee provided \$3,976,435 in general funds for each fiscal year to increase the overall base budget for Kupuna Care. Additional funds will support the existing client base, allowing the clients to lead independent, meaningful, and dignified lives through a continuum of home and community-based efforts.

Your Committee approved \$600,000 in general funds for fiscal year 2017-2018 to support family caregivers who provide long-term care to our ever-increasing kupuna population. This funding will provide financial assistance that will reduce the burden on these individuals, allowing them to focus on helping our kupuna age in place while delivering comparable services.

Your Committee provided \$1,700,000 in general funds for each fiscal year to increase the base for the Aging and Disability Resource Center (ADRC). Additional funds will support the operations of the four ADRC sites statewide as well as allow for the integration of participant-directed models of public support.

Your Committee provided \$2,754,980 in general funds for fiscal year 2017-2018 and \$7,118,914 in general funds for fiscal year 2018-2019 to meet the State match for the Medicaid Intellectual and Developmental Disabilities Home and Community Based Services Waiver to address the cost of services. New regulations require states to maximize the opportunities for program participants to access the benefits of community living, receive services in the most integrated settings, and effectuate the law's intention to provide alternatives to services rendered in institutions.

Homeless Efforts

Your Committee provided \$500,000 in general funds for each fiscal year for purchase of services that will provide for continuation of outreach and interim case management for homeless individuals with serious and persistent mental health challenges.

Your Committee has also provided \$800,000 in general funds for each fiscal year for outreach, counseling, and Law Enforcement Assisted Diversion (LEAD) services for chronically homeless individuals and families with severe substance abuse disorders.

Additionally, your Committee provided \$300,000 in general funds for each fiscal year to increase the current inventory of clean and sober housing for utilization by chronically homeless individuals with severe substance abuse disorders. The Alcohol and Drug Abuse Division has indicated that available funds for these services are limited, and that the supply of clean and sober housing, particularly on the neighbor islands, is insufficient to meet demand.

Mental Health

Your Committee approved \$1,340,000 in general funds for fiscal year 2017-2018 and \$1,613,000 in general funds for fiscal year 2018-2019 to rebase provider rates for the Child and Adolescent Mental Health Division (CAMHD). A rate study conducted by the Western Interstate Commission for Higher Education (WICHE) determined that local provider rates were substantially lower than those offered in other states. Rates have not been adjusted for CAMHD service providers in over ten years, and providers have advised the Division that they would be unable to continue to operate if rates were not adjusted.

Program Fiscal Sustainability

Your Committee provided \$6,507,305 in general funds for each fiscal year to complete the transition of Chronic Disease Prevention and Health Promotion Division staff from special funds to general funds that was initiated by Act 118, Session Laws of Hawaii 2015. Your Committee previously found that the allocation from the Hawaii Tobacco Settlement Special fund was insufficient to support the Division's personal services and other expenses. This adjustment will allow the Department to continue these vital operations sustainably.

Similarly, your Committee provided \$3,000,000 in general funds for each fiscal year for the State's Maintenance of Effort (MOE) to receive the Maternal Infant Early Childhood Home Visiting grant funds. Matching general funds had previously been allocated from the Hawaii Tobacco Settlement Special Fund. Unfortunately, the Department of Health's successful efforts to reduce smoking in the State correlate to a reduction in the amount of special funds available for the program's operation. Consequently, general funds are necessary to obtain matching federal funds.

In light of the substantial amounts proposed to be added to the Department of Health's base budget and the uncertainty of state tax revenues, your Committee identified 31.00 vacant, low-priority positions to eliminate, for a savings of \$1,709,047 in general funds for each fiscal year. Your Committee redirected these and other identified savings to other areas within the Department, in order to sustain current programs and to render new program funding revenue neutral.

Wahiawa General Hospital

Your Committee also approved an operating subsidy of \$942,000 in general funds for each fiscal year for Wahiawa General Hospital. This subsidy will continue a previous subsidy amount that was provided by the State for purchase of services contracts that were set to expire on June 30, 2017.

Hawaii Health Systems Corporation

The Senate Draft of the executive budget adjusts the Hawaii Health System's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$32,981,003 in general funds and \$23,459,087 in special funds; and
- (2) For fiscal year 2018-2019, by adding \$26,181,003 in general funds and \$23,459,087 in special funds.

The Administration's request was to add \$47,109,003 in general funds and \$23,459,087 in special funds for fiscal year 2017-2018 and \$30,729,003 in general funds and \$23,459,087 in special funds for fiscal year 2018-2019.

Your Committee provided \$36,486,000 in general funds for fiscal year 2017-2018 and \$34,686,000 in general funds for fiscal year 2018-2019 to provide the operating subsidy necessary for Hawaii Health Systems Corporation – Regions to address a budget deficit caused by rising healthcare costs.

In view of the transfer of the Corporation's Maui regional facilities to the Kaiser Foundation, your Committee approved disbursements of Maui region's working capital, and \$5,000,000 for fiscal year 2017-2018 in general funds to provide additional operating moneys for the remaining regions of the Corporation, as well as any necessary working capital for the Maui Health System, a Kaiser Foundation Hospital, LLC, that is needed after the Maui region's assets have been exhausted at the end of fiscal year 2016-2017. Your Committee has included a provision authorizing the Corporation's Board of Directors to determine the amount required by the hospitals, including the Maui Health System, a Kaiser Foundation Hospital, LLC.

Your Committee also has approved an operating and capital subsidy for the Maui Health System, a Kaiser Foundation Hospital, LLC, for the Maui facilities. Your Committee intends that the working capital and subsidy be provided to the Maui Health System, a Kaiser Foundation Hospital, LLC, in accordance with the transfer from the State to the Kaiser Foundation, including all applicable provisions of Act 103, Session Laws of Hawaii 2015, and part IV, chapter 323F, Hawaii Revised Statutes.

Human Resources Development

The Senate Draft of the executive budget adjusts the Department of Human Resources Development's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$1,073,212 in general funds; and
- (2) For fiscal year 2018-2019, by reducing \$1,322,788 in general funds.

The Administration's request was to add \$2,052,292 in general funds for fiscal year 2017-2018 and \$2,302,292 in general funds for fiscal year 2018-2019.

Your Committee approved \$2,396,000 in general funds for fiscal year 2017-2018 for workers' compensation claims. Your Committee recognizes the importance of fulfilling the State of Hawaii's responsibility to pay workers' compensation claims and benefits in a timely manner to avoid exorbitant fines and other costs in the future. Your Committee is aware of the fluctuations in the workers' compensation cost projections, and therefore, looks forward to working with the Department of Human Resources Development on revised cost estimates for fiscal year 2018-2019 during the supplemental budget cycle.

Your Committee approved the transfer of 2.00 vacant information technology positions from Supporting Services to the Office of Enterprise Technology Services, where they could be more efficiently deployed to work on interdepartmental information technology projects.

Human Services

The Senate Draft of the executive budget adjusts the Department of Human Services' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$12,943,765 in general funds and \$157,133,545 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$48,037,256 in general funds and \$273,181,312 in non-general funds.

The Administration's request was to add \$25,596,723 in general funds and \$157,393,373 in non-general funds for fiscal year 2017-2018 and \$66,440,270 in general funds and \$276,330,208 in non-general funds for fiscal year 2018-2019.

Your Committee recognizes the importance of essential homelessness services provided by the State of Hawaii. As such, your Committee approved \$3,000,000 in general funds for each fiscal year for the continuation of the Housing First Program and \$3,000,000 in general funds for each fiscal year for the Rapid Re-Housing Program. A sum of \$1,500,000 in general funds for each fiscal year for homeless outreach services was also appropriated to the Department to maintain the current level of statewide outreach. These programs and services aid some of the most vulnerable populations of people, who are either experiencing homelessness or at-risk of becoming homeless.

Your Committee values protecting social safety nets, especially during times of economic uncertainty. These appropriations will follow the appropriations made in the prior fiscal year, as well as expand services to the neighbor islands.

Your Committee also approved \$2,500,000 in general funds and \$7,056,720 in federal funds for fiscal year 2017-2018 and \$5,000,000 in general funds and \$14,113,440 in federal funds for fiscal year 2018-2019 for adult dental benefits. Dental care is an essential part of overall health and well-being. This benefit was eliminated during the State's recession, but it is a critical service to restore because preventative dental care has proved to be a fiscally prudent expenditure for many states. Funding adult dental benefits is not only financially responsible, but it also helps 180,000 adults avoid preventable, expensive, and invasive dental procedures and extractions.

Your Committee appropriated \$4,558,858 in general funds and \$2,454,770 in federal funds for fiscal year 2017-2018 and \$4,634,292 in general funds and \$2,495,388 in federal funds for fiscal year 2018-2019 to comply with the 2013 class action lawsuit filed on behalf of over 1,000 foster parents to increase the foster board rates. These moneys are necessary for the State to comply with the Child Welfare Act, and therefore your Committee has fully funded this request.

Labor and Industrial Relations

The Senate Draft of the executive budget adjusts the Department of Labor and Industrial Relations' appropriation as follows:

- (1) For fiscal year 2017-2018, by reducing \$2,927,343 in general funds and \$19,987 in non-general funds; and
- (2) For fiscal year 2018-2019, by reducing \$597,775 in general funds and adding 45,604 in non-general funds.

The Administration's request was to reduce \$2,753,210 in general funds and \$19,987 in non-general funds for fiscal year 2017-2018 and to reduce \$376,494 in general funds and to add \$45,604 in non-general funds for fiscal year 2018-2019.

Your Committee approved a 1.00 position and \$515,386 in general funds for fiscal year 2017-2018 and \$2,810,772 in general funds for fiscal year 2018-2019 for Business Process Optimization Analysis and Case Management System Modernization. This project will expedite payment of injured workers' benefits and help people return to work.

Your Committee approved 1.00 position and \$19,746 in general funds for fiscal year 2017-2018 and \$39,392 in general funds for fiscal year 2018-2019 for the Hawaii Civil Rights Commission. Providing this legal support position will permit reallocation of administrative duties currently handled by attorneys, thereby increasing attorney productivity by as much as twenty-five percent.

Recognizing an increase in the number of appeals presented to the Labor and Industrial Relations Appeals Board and the resulting increased delay in case processing, your Committee approved 1.00 position and \$14,436 in general funds for fiscal year 2017-2018 and \$28,872 in general funds for fiscal year 2018-2019. This position will address the Board's current staffing shortage, thereby increasing the percentage of appeals that the Board will be able to resolve within fifteen months of receipt.

Land and Natural Resources

The Senate Draft of the executive budget adjusts the Department of Land and Natural Resources' appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$19,668,769 in general funds and \$16,159,752 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$15,500,669 in general funds and \$1,967,001 in non-general funds.

The Administration's request was to add \$21,234,212 in general funds and \$16,036,430 in non-general funds for fiscal year 2017-2018 and \$20,766,112 in general funds and \$1,891,237 in non-general funds for fiscal year 2018-2019.

Your Committee believes in the essential services and protection of natural resources that the Department of Land and Natural Resources provides to the State of Hawaii. Your Committee approved all executive requests from the Governor regarding the transition of base budgets from special funds to general funds in accordance with Act 84, Session Laws of Hawaii 2015. Providing a stable funding source to these programs was a priority of this Committee last biennium, and transitioning personnel in these programs into the general fund budget completes the process.

Hawaii's ecosystem is incredibly fragile and is in constant danger of falling out of balance. Your Committee approved \$750,000 in general funds for each fiscal year to combat Rapid Ohia Death. Your Committee also acknowledges the important role the Hawaii Invasive Species Council plays in the biosecurity of the State and therefore appropriated \$4,000,000 in general funds for fiscal year 2017-2018 for this program. Funding for fiscal year 2018-2019 for the Hawaii Invasive Species Council was not included due to the potential creation of the Hawaii Invasive Species Authority through House Bill No. 1339, which is currently under review by the Legislature.

Your Committee approved 15.00 positions and \$1,065,147 in general funds for fiscal year 2017-2018 and \$1,097,047 in general funds for fiscal year 2018-2019 for the Kahoolawe Island Reserve Commission. Without this appropriation, the operations of the Commission would cease. These moneys provide the Commission the ability not only to clean and restore the island of Kahoolawe, but the chance to educate the community and protect state lands for future generations.

Public Safety

The Senate Draft of the executive budget adjusts the Department of Public Safety's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$5,542,921 in general funds and \$1,292,671 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$698,120 in general funds and \$1,292,671 in non-general funds.

The Administration's request was to add \$7,265,245 in general funds and \$1,292,671 in non-general funds for fiscal year 2017-2018 and \$4,201,373 in general funds and \$1,292,671 in non-general funds for fiscal year 2018-2019.

As Halawa Correctional Facility continues to undergo renovations, it is important to temporarily fund the housing of inmates in non-state facilities. To this end, your Committee provides \$3,344,801 in general funds for fiscal year 2017-2018. Your Committee also notes the important work of the Sheriff's Division, and the need to recruit highly qualified candidates into positions performing that work. Therefore, your Committee approved \$125,000 in general funds for each fiscal year for psychological testing during the recruitment of deputy sheriffs.

Your Committee is aware that there is no centralized home for the Department of Public Safety, and supports the effort that the Department is undertaking to find suitable facilities. As such, your Committee provided \$1,500,000 in general funds for fiscal year 2017-2018 for the current lease rent for the Department, as well as for future relocation costs.

Your Committee continues to be concerned about the level of overtime in the Corrections Division, with some facilities experiencing rates in excess of ten percent of their base salary. With approximately \$11,000,000 being spent on overtime from other budgeted areas such as vacancies and deferred contracts, the Department of Public Safety will be unable to move forward in meeting its mission unless these levels are controlled and reduced. Your Committee directs the Department to progressively reduce its overtime costs, by providing that the Department use no more than its current fiscal year overtime budget for fiscal year 2017-2018 as well as putting in place targeted reductions for fiscal year 2018-2019.

Taxation

The Senate Draft of the executive budget adjusts the Department of Taxation's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$472,329 in general funds and \$3,572 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$347,329 in general funds and \$3,572 in non-general funds.

The Administration's request was to add \$648,279 in general funds and \$3,572 in non-general funds for fiscal year 2017-2018 and \$523,279 in general funds and \$3,572 in non-general funds for fiscal year 2018-2019.

To assist the Department with the increased workload due to the anticipated tax revenue from medical marijuana sales, your Committee approved \$59,000 in general funds for each fiscal year. These funds will help with armored car and security expenses.

Transportation

The Senate Draft of the executive budget adjusts the Department of Transportation's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$27,661,977 in special funds and reducing \$1,541,657 in federal funds; and
- (2) For fiscal year 2018-2019, by adding \$20,981,432 in special funds and reducing \$5,682,007 in federal funds.

The Administration's request was to add \$45,131,791 in special funds and reduce \$1,541,657 in federal funds for fiscal year 2017-2018 and add \$33,819,521 in special funds and reduce \$5,682,007 in federal funds for fiscal year 2018-2019.

Airports

Your Committee recognizes the Department of Transportation's expressed concern over the potential liability for labor and procurement violations resulting from the continued staffing of Pass and Identification offices at Honolulu International Airport, Kahului Airport, Keahole International Airport at Kona, Hilo Airport, and Lihue Airport with private contractors in place of state personnel. Therefore, your Committee approved a total of 19.00 positions and \$440,572 in special funds for fiscal year 2017-2018 and \$838,943 in special funds for fiscal year 2018-2019 to establish Office Assistants in Pass and Identification Offices statewide, for the

purpose of having all workers who execute information security directives be directly employed by the State to reduce the potential liability associated with contracted personnel.

In order to address the long-standing staffing shortages in the Aircraft Rescue Fire Fighting Programs at Honolulu International Airport and Kahului Airport, your Committee approved 23.00 positions and \$2,302,092 in special funds for the islands of Oahu and Maui in support of those emergency responders who bear the burden of defending the various structures, aircraft, and individual lives at state airports. This decision will expand these two programs to fulfill mandates from the Occupational Safety and Health Administration relating to operational capacity and allow the current heavy rescue vehicle at airports on Oahu and Maui to be staffed appropriately.

The Airports Division has demonstrated initiative in its attempt to establish a successful Federal Inspection Station at Kona International Airport to support the growing number of international routes based at the Airport that bring positive economic opportunities to the surrounding community. Your Committee has therefore approved 6.00 Visitor Information Program Assistants and \$293,004 in special funds in fiscal year 2018-2019 to provide line management and serve passengers in the Automated Passport Kiosk section of the Federal Inspection Station. Your Committee further recognizes the contributions of the Automated Passport Kiosks towards reducing queue times and streamlining the processing of international arrivals per federal regulations and approved \$150,000 in special funds for the maintenance of these Kiosks at Kona International Airport.

Harbors

Your Committee greatly appreciates the Harbors Division's intention to utilize existing resources by trading off and transferring funds between various programs to largely cover anticipated increases in operating expenses for the next fiscal biennium.

Your Committee understands the Harbors Division's desire to maintain compliance with the Environmental Protection Agency's stormwater management Consent Decree and has thus approved \$384,500 in special funds for the Division's ongoing maintenance of its Geographic Information System and Asset Management System. Supporting these two systems will allow the Department to utilize technological advancements to map out and manage its inventory of stormwater-related assets and is necessary for the Division to meet its obligation under a Department of Health mandate to use an Asset Management System for compliance with its Small Municipal Separate Storm Sewer System Permits.

Highways

Your Committee continues to express grave concerns for the financial sustainability of the Highways Special Fund and is aware of the projected shortfalls and deficits of the Highways Division. In carefully considering funding levels, your Committee has exercised a great deal of caution by not approving increases beyond what is absolutely necessary. It is your Committee's hope that the reduced expenditure level proposed in this budget will encourage the Division's initiatives for future balanced financial projections.

Your Committee has approved a total of 12.00 positions, \$780,961 in special funds for fiscal year 2017-2018, \$1,447,616 in special funds for fiscal year 2018-2019, and \$216,000 in federal funds for each fiscal year for the Highways Division to operate the Intelligent Technology Systems Branch of the Joint Traffic Management Center. These positions and funding will allow the Branch to deploy, monitor, and maintain intelligent devices on island highways important for providing a safe and efficient highway system. To account for this increase in financial responsibility, your Committee has designated a corresponding reduction of \$1,461,444 in special funds for each fiscal year for long-standing and low-priority vacant positions mainly in Oahu Highways, Highways Administration, and Highway Safety.

Administration

Your Committee recognizes the Administration Division's intent to execute five information technology projects over the fiscal biennium. To ensure that these funds are expended with great fiscal responsibility, your Committee has slightly reduced the aggregate costs of these projects and approved a lump sum of \$3,514,950 in special funds for fiscal year 2017-2018 and \$1,242,000 in special funds for fiscal year 2018-2019 for information technology projects. Furthermore, to ensure that these projects provide the greatest benefits possible to the State, your Committee requires that these projects be reviewed and approved by the Chief Information Officer of the Office of Enterprise Technology Services.

Currently, the Hawaii Department of Transportation is under a Consent Decree agreement with the United States Environmental Protection Agency requiring the Department of Transportation's Office of Environmental Compliance to perform compliance audits of the MS4 stormwater discharge permits issued to the Airports, Highways, and Harbors Divisions. Your Committee understands the importance of adhering to environmental regulations and avoiding severe non-compliance penalties, and has thus approved 2.00 environmental and engineering positions and \$97,161 in special funds for fiscal year 2017-2018 and \$194,322 in special funds for fiscal year 2018-2019 for the Office of Environmental Compliance. The expanded staffing will allow the Office to fully meet the work demands of the Consent Decree and ensure the Divisions' ongoing compliance status.

University of Hawaii

The Senate Draft of the executive budget adjusts the University of Hawaii's appropriation as follows:

- (1) For fiscal year 2017-2018, by adding \$44,668,533 in general funds and \$5,540,939 in non-general funds; and
- (2) For fiscal year 2018-2019, by adding \$44,668,533 in general funds and \$5,540,939 in non-general funds;

The Administration's request was to add \$42,558,733 in general funds and \$5,540,939 in non-general funds for fiscal year 2017-2018 and fiscal year 2018-2019.

Your Committee approved 4.00 positions and \$3,000,000 in general funds for each fiscal year for the Cancer Center's operations and clinical trials. The Cancer Center provides an integral nexus between Hawaii residents suffering from cancer and the most relevant research and care options. The Cancer Center provides clinical trials to cancer patients for most, if not all, of Hawaii's cancer care

providers. This appropriation will help significantly with the Center's financial concerns, while also benefiting an important population of the State.

Your Committee has also approved \$350,000 in general funds for each fiscal year to continue our State's efforts in concussion monitoring and testing for our high school student athletes, pursuant to Act 197, Session Laws of Hawaii 2012, as amended by Act 262, Session Laws of Hawaii 2016. Nationally, concussion management is of great concern as we seek to keep our student athletes safe.

Compliance with federal Title IX standards, which extends beyond just equity in sports, is a mandated responsibility of the University of Hawaii. Your Committee approved 7.00 positions and \$1,290,000 in general funds for each fiscal year to ensure compliance and provide essential services to students.

PART VI. CAPITAL IMPROVEMENTS PROGRAM BUDGET

Your Committee finds that capital improvement projects play an essential role in building the State's economy and infrastructure. While remaining fiscally prudent and mindful of the Administration, its departments, and the community at large, your Committee strived to ensure vital state and community needs were met across all departments, as well as to address critical areas in education, housing, agriculture, and public safety.

After careful consideration of the growing needs and concerns of the State, addressing commitments pledged by the Administration, as well as being cognizant of the State's current revenue projections, your Committee has provided a total of \$969,819,000 for fiscal year 2017-2018 and \$29,181,000 for fiscal year 2018-2019 for projects funded by general obligation bonds and \$1,847,706,000 in fiscal biennium 2017-2019 for projects funded by all other 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 \$1,375,734,000 for fiscal year 2017-2018 and \$151,676,000 for fiscal year 2018-2019 for projects funded by general obligation bonds and \$1,748,338,000 in fiscal biennium 2017-2019 for projects funded by all other means of financing.

Your Committee executed a capital improvement program budget that focuses on funding critical and significant capital projects that:

- (1) Provide for growing student populations on both Oahu and Maui by awarding a lump sum fund to the Department of Education in the amount of \$168,000,000 for new school and classroom projects. Your Committee took great pains to provide for the educational needs of the State by dedicating \$437,965,000 to the Department of Education, which comprises forty-four percent of the entire general obligation bond amount awarded statewide;
- (2) Address the shortage of public and affordable housing throughout the State. For this objective, your Committee provided \$51,500,000 to Hawaii Public Housing Authority for the renovation of its public housing facilities, statewide; \$25,000,000 for an infusion to the Rental Housing Revolving Fund; and \$25,000,000 for an infusion to the Dwelling Unit Revolving Fund, to address infrastructure, construction and development needs of affordable housing across the State. Your Committee also acknowledges the need and backlog for public senior housing in the State with an ever-growing applicant waitlist for the senior population. Therefore, your Committee has allotted \$35,000,000 for a senior housing project on Oahu that will provide an additional 200 to 250 units for senior living public housing facilities to accommodate an underserved elderly population;
- (3) Conserve and protect agricultural lands, promote diversified agriculture, and increase agricultural self-sufficiency, as mandated by Article XI, section 3 of the Constitution of the State of Hawaii. To address this mandate, your Committee provided over \$20,000,000 to purchase 500 acres of agricultural land to lease to local farmers, decreasing the State's dependence on imported agriculture products, while investing over \$25,000,000 in upgrades and improvements to critical water infrastructure systems and agricultural facilities statewide; and
- (4) End the search for and debate on prospective jail sites by solidifying a Halawa location and providing \$60,000,000 to the Department of Public Safety to begin the process of building a new jail. A sum of \$6,000,000 was also furnished to the Department of Public Safety to add beds at the current Halawa facility to bring prisoners on the mainland back home. To this effort, your Committee has also provided \$4,000,000 to relocate Department of Agriculture facilities outside of the Halawa site to further address the State's increasing populations within the Department of Public Safety facilities.

Your Committee recognizes great need in the State for services provided by non-governmental groups and nonprofit agencies. Your Committee commends these organizations for their commitment to serving the community and understands the fiscal constraints within which these organizations often operate. Your Committee will be thoroughly assessing all grant applications in conjunction with the State's financial forecast, in order to determine the most appropriate and prudent funding levels for these organizations.

Finally, your Committee provided funding for various projects within the Department of Defense, Department of Hawaiian Home Lands, Department of Health, Department of Human Services, Department of Land and Natural Resources, and Department of Transportation, among others, to ensure that contributions of matching federal, private, and other funds may be maximized and not lost or forfeited.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 100, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 100, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (English).

SCRep. 1287 Ways and Means on H.B. No. 143

The purpose and intent of this measure is to 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.

This measure also makes a declaration of findings with respect to those authorizations, as mandated by the State Constitution.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that the project appropriations contained in the Acts of the Legislature are necessary to maintain or increase current levels of public service to the community.

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. 143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 143, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1288 Ways and Means on H.B. No. 375

The purpose and intent of this measure is to amend state income tax rates to eliminate income tax liability for taxpayers living at or below poverty thresholds.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and Americans for Democratic Action Hawaii.

Your Committee received comments on this measure from the Department of Taxation, Hawaii Appleseed Center for Law and Economic Justice, and Tax Foundation of Hawaii.

Your Committee finds that Act 223, Session Laws of Hawaii 2015, temporarily increased the amount of the refundable food/excise tax credit. According to the Department of Taxation, making this increase permanent is expected to result in an annual revenue loss of \$6,500,000.

Your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with provisions to make permanent the amendments to the refundable food/excise tax credit by repealing the sunset date in Act 223, Session Laws of Hawaii 2015; and
- (2) Changing the effective date to upon approval.

Your Committee notes that these new provisions also appear in H.B. No. 209, H.D. 1, and S.B. No. 648, both of which were heard by your Committee. It is your Committee's intent to keep the provisions making permanent the amendments to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015, independent of other measures, in order to increase the provisions' chances of successful passage.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 375, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 375, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1289 Ways and Means on H.B. No. 628

The purpose and intent of this measure is to establish and fund the infrastructure capacity construction loan revolving fund, which will provide loans to counties, state agencies, or private developers for infrastructure improvements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; the City and County of Honolulu Board of Water Supply; the Chamber of Commerce Hawaii; the American Council of Engineering Companies, Hawaii; and the Maui Chamber of Commerce.

Your Committee received comments on this measure from the Department of Budget and Finance and the Department of Accounting and General Services.

Your Committee finds that investment in the development and improvement of roads, sewers, drainage, communications, internet technology, schools, ports, and hospitals is important to both economic development and the overall quality of life. Failure to invest in such infrastructure may lead to a failure to sustain and develop the State's social and economic well-being.

Your Committee notes that, as this measure moves into conference, the proponents of the measure should specify the necessary dollar amounts to implement the measure's purpose or indicate whether a transfer of excess funds from the dwelling unit revolving fund of the Hawaii Housing Finance and Development Corporation is acceptable as seed capital for the revolving fund established under this measure.

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. 628, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 628, 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 (Taniguchi). Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1290 Ways and Means on H.B. No. 1414

The purpose and intent of this measure is to require the Auditor to execute a contract for a contractor to investigate the tax system modernization project of the Department of Taxation.

This measure also appropriates funds for the investigation and requires the Auditor to report findings to the Legislature.

Your Committee received comments on this measure from the Department of Taxation, Office of the Auditor, and State Procurement Office.

Your Committee finds that an independent investigation by an entity not currently involved with the development of the tax system modernization project will facilitate accurate and objective information on any operational problems of the project and associated lost tax revenue, which in turn will help to improve the implementation of the final version of the project.

Your Committee has amended this measure by changing the appropriation amount from an unspecified sum to \$300,000, as requested by the Auditor.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1414, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1414, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1291 Ways and Means on H.B. No. 1436

The purpose and intent of this measure is to appropriate funds for the Department of Accounting and General Services to update statewide building code standards for hurricane mitigation and secure a reimbursement grant from the Federal Emergency Management Agency Hazard Mitigation Grant Program.

Your Committee received testimony in support of this measure from the Hawaii Emergency Management Agency; Hawaii State Fire Council; Honolulu Fire Department; Department of Emergency Management, City and Council of Honolulu; Kauai Fire Department; The Maritime Group; and the Structural Engineers Association of Hawaii.

Your Committee finds that the State Building Code Council, which is administratively attached to the Department of Accounting and General Services, was created to review and adopt current, nationally-recognized building codes and standards to ensure compliance with various requirements of building safety. Your Committee notes that funding was never provided to the State Building Code Council for staff and operational expenses, which has limited the effectiveness of the Council. Your Committee finds that the State Building Code Council applied for, and was awarded, a federal reimbursement grant through the Federal Emergency Management Agency Hazard Mitigation Grant Program to fund the adoption of hurricane mitigation standards. However, under the terms of the reimbursement grant, the Department of Accounting and General Services is required to use its operating funds to accomplish the project and, after a review, the Federal Emergency Management Agency will reimburse the State up to \$75,000.

Your Committee has amended this measure by changing the amount appropriated for fiscal year 2017-2018 from an unspecified amount to \$75,000.

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. 1436, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1436, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1292 Judiciary and Labor on H.B. No. 280

The purpose and intent of this measure is to:

- (1) Clarify the filing due dates of preliminary, final, and supplemental reports of candidate committees to be submitted to the Campaign Spending Commission;
- (2) Require a candidate who is elected and is sworn into office prior to thirty calendar days after a general, subsequent, subsequent special, or subsequent nonpartisan election to file the final election period report three business days before the date the candidate is to be sworn into office; and
- (3) Specify the supplemental report filing deadlines for a candidate whose name will not appear on the ballot.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that the current practice for candidates is to file a supplemental report by January 31 of every year, not just on January 31 after an election year as required by law. While this measure is intended to conform the law with current practice, your Committee finds that requiring a candidate and treasurer of the candidate committee to file a supplemental report on January 31 in an election year does not accomplish this intent.

Accordingly, your Committee has amended this measure by:

- (1) Reinstating the language under section 11-334(a)(4), Hawaii Revised Statutes, relating to the supplemental report filing deadline dates, and requiring the supplemental report due on January 31 to be filed annually, rather than after an election year;

- (2) Deleting the amendments under section 11-334(b), Hawaii Revised Statutes, that would have required in an election year that the candidate and treasurer of a candidate committee of each candidate whose name will appear on the ballot to file a supplemental report on January 31 and specified supplemental report filing deadlines for a candidate whose name will not appear on the ballot; 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. 280, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 280, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1293 Judiciary and Labor on H.B. No. 508

The purpose and intent of this measure is to:

- (1) Increase the maximum administrative fine that may be imposed by the State Ethics Commission from \$500 to \$1,000 for a violation of the Code of Ethics under chapter 84, Hawaii Revised Statutes;
- (2) Clarify that the administrative fine imposed for a violation of the Code of Ethics shall not be assessed unless the State Ethics Commission convenes a hearing and renders a decision, or the Commission and respondent agree to resolve any charge of an alleged violation prior to completion of the contested case process and the resolution includes payment of an administrative fine or restitution, or both; and
- (3) Remove the mens rea element for violations of the lobbying laws under chapter 97, Hawaii Revised Statutes, and increasing the maximum administrative fee that may be imposed by the State Ethics Commission from \$500 to \$1,000 for each violation.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Common Cause Hawaii, and League of Women Voters of Hawaii. Your Committee received comments on this measure from the Hawai'i Alliance of Nonprofit Organizations.

Your Committee finds that this measure updates and streamlines the administration and enforcement of the Code of Ethics and lobbying laws by increasing the administrative penalties that may be imposed for violations of the ethics code or lobbying laws and authorizing the State Ethics Commission to settle cases involving an ethics code violation.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Deleting language that would have removed the mens rea element of and increased the maximum administrative fee that may be imposed by the State Ethics Commission for a violation of the lobbying law under chapter 97, Hawaii Revised Statutes;
- (3) Inserting an effective date of January 7, 2059, 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. 508, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 508, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1294 Judiciary and Labor on H.B. No. 511

The purpose and intent of this measure is to amend the lobbying laws under chapter 97, Hawaii Revised Statutes, by:

- (1) Amending the definition of "expenditure" to:
 - (A) Exclude any amounts expended for intrastate travel costs of certain individuals, or by a nonprofit organization to prepare and submit an application for a grant pursuant to chapter 42F, Hawaii Revised Statutes, and for each employee of the nonprofit organization to lobby a maximum of ten hours in a month for that application; and
 - (B) Repeal language that excludes expenses for preparing written testimony and exhibits for a hearing before the Legislature or an administrative agency;
- (2) Clarifying that the definition of "lobbying" does not include the preparation and submission of a grant application pursuant to chapter 42F, Hawaii Revised Statutes, by a representative of a nonprofit organization;
- (3) Amending the definition of "lobbyist" to:
 - (A) Specify certain circumstances in which an individual is considered a lobbyist and subject to chapter 97, Hawaii Revised Statutes; and
 - (B) Exclude an employee of a nonprofit organization who spends fewer than ten hours in any month lobbying on a grant application submitted pursuant to chapter 42F, Hawaii Revised Statutes;
- (4) Authorizing the person who employed or contracted for the services of a lobbyist to file a notice of termination for the lobbyist if the lobbyist fails to do so, and clarifying that the lobbyist and the person who employed or contracted for the services, rather

than the employer, of the lobbyist remain subject to chapter 97, Hawaii Revised Statutes, during the period for which the lobbyist's registration is effective;

- (5) Requiring any person who makes expenditures of \$1,000 or more, rather than spends \$750 or more, of the person's or any other person's money in any reporting period under 97-3, Hawaii Revised Statutes, for the purpose of lobbying to file a statement of expenditures with the State Ethics Commission;
- (6) Specifying the requirements of the expenditure report required to be filed with the State Ethics Commission within thirty days after adjournment sine die of a special session of the Legislature;
- (7) Clarifying that the statement of expenditures includes, among other items, the total sum or value of all expenditures for the purpose of lobbying made by the person filing the statement during the statement period, rather than only the expenditures in excess of \$750 during the statement period, and adding, as an itemized expenditure, interstate transportation, including incidental meals and lodging; and
- (8) In lieu of requiring a list of registered lobbyists and names of the persons whom they represent to be published, requiring all lobbyist registration statements to be posted on the State Ethics Commission's website within a reasonable time after filing and allowing the statements to be removed from the website after four years.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Hawai'i Public Health Institute, Hawai'i Alliance of Nonprofit Organizations, Common Cause Hawaii, and League of Women Voters of Hawaii. Your Committee received comments on this measure from Catholic Charities of Hawai'i.

Your Committee finds that this measure updates and streamlines the lobbying laws under chapter 97, Hawaii Revised Statutes, to provide consistency in the administration and enforcement of lobbying activities in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a lobbyist is an individual who:
 - (A) Receives or expects to receive, either by employment or contract, \$1,000 or more, rather than more than \$1,000, in monetary or in-kind compensation in any calendar year;
 - (B) For pay or other consideration, on behalf of another person, engages in lobbying on an unspecified number of, rather than three or more, bills, resolutions, or both, during any legislative session; and
 - (C) For pay or other consideration, on behalf of another person, makes expenditures of \$1,000 or more, rather than more than \$1,000, of the person's or any other person's money lobbying during any reporting period required under section 97-3, Hawaii Revised Statutes;
- (2) Inserting language from H.B. No. 508, H.D. 1 (Regular Session of 2017), that amends section 97-7, Hawaii Revised Statutes, to increase the maximum administrative fine from \$500 to \$1,000 for each violation of chapter 97, Hawaii Revised Statutes;
- (3) Inserting an effective date of January 7, 2059, 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. 511, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 511, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1295 Judiciary and Labor on H.B. No. 852

The purpose and intent of this measure is to:

- (1) Increase the administrative fine from \$50 to \$75 for a legislator, delegate to the constitutional convention, or employee who fails to file a disclosure of financial interests when due;
- (2) Require the State Ethics Commission to release to the public a list of all legislators, delegates to the constitutional convention, or employees who fail to file a disclosure of financial interests when due;
- (3) Require the State Ethics Commission to notify a legislator, delegate to the constitutional convention, or employee of the failure to file a disclosure of financial interests when due by in-person service, electronic mail to the person's state electronic mail address, or first class mail, rather than by registered mail, return receipt requested; and
- (4) Increase the late filing penalty fee from \$25 to \$50 against a candidate seeking a state elective office who fails to file a financial disclosure statement when due.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Common Cause Hawaii, and League of Women Voters of Hawaii.

Your Committee finds that existing law requires the State Ethics Commission to notify, by registered mail, return receipt requested, certain individuals who fail to file their financial disclosure statements. According to written testimony submitted by the State Ethics Commission, in 2016, the Commission paid \$14.87 in postage for each late filing notice. This measure provides cost savings for the State Ethics Commission by allowing the Commission to notify certain individuals who fail to file their financial disclosure statements by in-person service, electronic mail to the person's state electronic mail address, or first class mail, rather than by the costly registered mail, return receipt requested, method.

Your Committee further finds that by increasing the fines imposed on and publicly releasing the names of certain individuals who fail to file their financial disclosure statements by the deadlines required by law, this measure provides a stronger incentive for these individuals to file their financial disclosure statements on time.

Your Committee has amended this measure by:

- (1) Deleting the preamble section;
- (2) Allowing, rather than requiring, the State Ethics Commission to post on its website for public inspection, rather than release to the public, the names of the legislators, delegates to the constitutional convention, or certain employees who fail to file their financial disclosure statements by the statutory deadline;
- (3) Inserting an effective date of January 7, 2059, 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. 852, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 852, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1296 Judiciary and Labor on H.B. No. 1033

The purpose and intent of this measure is to allow state and county agencies to participate in the administrative procedures process under chapter 91, Hawaii Revised Statutes, by including "agencies" within the definition of "persons" in section 91-1, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Office of Planning, and Land Use Commission. Your Committee received testimony in opposition to this measure from Life of the Land.

Your Committee finds that under the Hawaii Administrative Procedure Act, state and county agencies are included under the definition of "party" but not under the definition of "persons", which effectively restricts state and county agencies from full participation in the administrative process, including the authority to:

- (1) Submit data, views, or arguments relating to a proposed amendment or repeal of any administrative rule;
- (2) Petition another agency that is requesting the adoption, amendment, or repeal of any administrative rule;
- (3) Pursue a judicial declaration regarding the validity of any administrative rule; and
- (4) Petition another agency for a declaratory order regarding the applicability of any statutory provision or any rule or order of the agency.

Your Committee further finds that state and county agencies often have the same needs as individuals, businesses, and public or private organizations to obtain clarity on statutes or administrative rules. By increasing the participation of state and county agencies in the administrative procedures process, this measure enhances the overall administrative procedures process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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 H.B. No. 1033, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1033, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1297 Judiciary and Labor on H.B. No. 282

The purpose and intent of this measure is to clarify that increased fines may apply if a noncandidate committee fails to timely file a second preliminary general report with the Campaign Spending Commission.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and Common Cause Hawaii.

Your Committee finds that Act 79, Session Laws of Hawaii 2015, required noncandidate committees to file an additional preliminary report by October 1 of the year of a general election. This measure makes conforming amendments to make the late filing of a second preliminary general report by noncandidate committees subject to a fine of \$300 per day, which matches the fine imposed on candidate committees that are late in filing preliminary reports.

Your Committee has amended this measure by:

- (1) Clarifying that the monetary fine shall be a maximum of \$300 per day, provided that in the aggregate the fine shall not exceed twenty-five percent of the total amount of contributions or expenditures plus a fine of \$300, rather than solely limiting the aggregate amount to the percentage of the total amount of contributions or expenditures; and

- (2) Making a technical, nonsubstantive amendment for purposes of clarity and consistency.

As affirmed by the record of votes of the members 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. 282, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 282, 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. 1298 Ways and Means on H.B. No. 1309

The purpose and intent of this measure is to address state grants.

More specifically, this measure:

- (1) Requires an organization that receives a grant from the State to repay the State if the organization's activities or services as approved in the grant are discontinued and the grant was awarded for the planning, design, construction, renovation, operations, or equipment of facilities, in addition to the acquisition of land;
- (2) Requires organizations that use a grant to publicly recognize that the project funded by the grant was supported by the State;
- (3) Designates the Department of Budget and Finance as the agency responsible for negotiating grant repayments;
- (4) Authorizes a designated expending agency of a grant or subsidy, with the approval of the Governor, to delegate its expending authority to a different agency when the two agencies deem the delegation of authority to be advantageous and subject to the consent of the grantee; and
- (5) Requires the Governor to report to the Legislature on delegations of the expending authority for grants or subsidies.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that chapter 42F, Hawaii Revised Statutes, authorizes the Legislature to appropriate state grant funds to support activities that benefit the community. Pursuant to section 42F-106, Hawaii Revised Statutes, the expending agency designated in the legislative appropriation is responsible for monitoring the grant to ensure compliance with applicable laws and the public purpose and legislative intent of the grant. Your Committee finds that this measure further enhances mechanisms to ensure state grant expenditures continue to serve their intended purposes, by:

- (1) Expanding the conditions requiring the repayment of grant funds to the State when a grant recipient discontinues the activities or services for which the grant was approved; and
- (2) Authorizing the delegation of expending agency authority where the arrangement benefits the State's interest,

Your Committee has amended this measure by removing an incorrect reference to "subsidies" with respect to an expending agency's delegation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1309, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1309, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1299 Ways and Means on H.B. No. 1333

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds for the purpose of assisting Honokaa Land Company, LLC as an agricultural enterprise.

Your Committee received testimony in support of this measure from the Department of Agriculture and Honokaa Land Company, LLC.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the issuance of special purpose revenue bonds under this measure is in the public interest and will benefit the public health, safety, and general welfare. Proceeds from the sale of bonds will assist Honokaa Land Company, LLC to acquire, develop, and renovate agricultural facilities at two sites on the island of Hawaii and enable Honokaa Land Company, LLC to convert to renewable energy.

Your Committee has amended this measure by:

- (1) Authorizing the issuance of \$50,000,000 in special purpose revenue bonds for the purpose of assisting Honokaa Land Company, LLC;
- (2) Correcting a reference from "domestic limited liability corporation" to "domestic limited liability company"; and
- (3) Changing the effective date to July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1333, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1333, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1300 Ways and Means on H.B. No. 1588

The purpose and intent of this measure is to promote the prudent use of the State's bond financing authority.

Specifically, the measure:

- (1) Prohibits the issuance of general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than ten years from the date the asset was first placed into service;
- (2) Authorizes only cash appropriations or the issuance of bonds other than general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of less than ten years from the date the asset was first placed into service; and
- (3) Requires the Director of Finance to set a maturity date of not more than ten years when issuing general obligation bonds to finance the repair and maintenance of a capital asset with a depreciable life of ten years or more from the date the asset was first placed into service.

Your Committee received comments on this measure from the Department of Budget and Finance and the Department of the Attorney General.

Your Committee finds that passage of this measure will promote fiscally responsible funding of repair and maintenance projects in the State.

Your Committee has amended this measure by:

- (1) Deleting language restricting the Legislature's ability to authorize the issuance of general obligation bonds and requiring the use of cash appropriations or bonds other than general obligation bonds, with respect to financing the repair and maintenance of capital assets with a depreciable life of less than ten years from the date the asset was first placed into service; and
- (2) Changing the effective date from July 1, 2030, 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. 1588, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1588, 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, 8. Noes, none. Excused, 3 (Harimoto, Inouye, Kahele).

SCRep. 1301 Higher Education on S.R. No. 60

The purpose and intent of this measure is to address a disparity in the allocation of funds between the Colleges of Arts and Sciences and other colleges of the University of Hawaii by requesting that the University of Hawaii at Manoa adopt a budget model that allocates resources according to a transparent and equitable formula.

Your Committee received testimony in support of this measure from the Graduate Student Organization at the University of Hawai'i at Mānoa, Associated Students of the University of Hawai'i at Mānoa, and seven individuals. Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

Your Committee finds that the Colleges of Arts and Sciences at the University of Hawaii at Manoa comprise fifty-five percent of the total student semester hours, forty-two percent of the University of Hawaii at Manoa student body, and forty-eight percent of the University of Hawaii faculty, but only receive eighteen percent of the combined tuition and general funds allocated to the University. Your Committee further finds that this disparity in the allocation of funds has seriously eroded the ability of instructional units to retain highly qualified faculty, offer sufficient numbers of courses taught by qualified faculty, maintain rigorous research and publication standards, and replace worn-out equipment. Your Committee notes that student enrollment is down, faculty morale at the Colleges of Arts and Sciences is low, and the existence of certain programs are in jeopardy.

Your Committee appreciates the testimony submitted by multiple faculty members of the University of Hawaii at Manoa, and acknowledges their frustrations and the gravity of the current situation that they described. Your Committee is concerned about the current fiscal situation at the University of Hawaii, the impact it is having on students, and the quality of the programs offered at the University of Hawaii at Manoa. Your Committee hopes that this measure will impress upon the University an urgency to modify the current budget model to allocate resources more equitably to align revenue sources with intended use.

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. 60 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1302 Commerce, Consumer Protection, and Health on S.C.R. No. 156

The purpose and intent of this measure is to urge the Department of Health to adopt and implement administrative rules to update standards of vaccinations for children.

Your Committee received testimony in support of this measure from Planned Parenthood Votes Northwest and Hawaii and Hawai'i Pacific Health. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that immunizations are one of the most cost-effective public health interventions and a vital component of the human right to health care. Your Committee further finds that it is important for the State to have consistent and publicized immunization standards to ensure that all children and families are informed about the most appropriate vaccinations that should be administered to promote optimum public health.

Your Committee additionally finds that no updates to the State's vaccination standards have occurred despite the Legislature's passage of Act 231, Session Laws of Hawaii 2013, authorizing the Department of Health to adopt, amend, or repeal rules to establish a list of specified vaccines and the immunization recommendations of the United States Department of Health and Human Services Advisory Committee on Immunization Practices. Your Committee received testimony from the Department of Health indicating that the Department has been attempting to update the administrative rules related to vaccinations for the last ten years but has had difficulty securing stakeholder consensus and cooperation from outside agencies, as well as ensuring alignment with existing statutory requirements. Your Committee recognizes the challenges faced by the Department but wants to continue all efforts possible to ensure the completion of the process to adopt and implement administrative rules under chapter 91, Hawaii Revised Statutes, to update the State's vaccination standards for children.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 156 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1303 (Joint) Hawaiian Affairs and International Affairs and the Arts on S.C.R. No. 153

The purpose and intent of this measure is to request the Governor to issue a proclamation to designate January 2018 to January 2019 as the Year of the Hawaiian, and to request the Office of Hawaiian Affairs to study and recommend to the Legislature a plan to celebrate the Year of the Hawaiian.

Your Committees received testimony in support of this measure from the Native Hawaiian Education Council, Kamehameha Schools, and two individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that Native Hawaiians have a demonstrated history of independent thought, the ability to think critically, and the facility to express themselves effectively through a number of public venues, media, and forums to challenge existing norms, policies, and rules consistent with the growing renaissance, rebirth, and rise in their understanding and knowledge of Native Hawaiian history, Native Hawaiian culture, Native Hawaiian traditions, and Native Hawaiian values.

Your Committees further find that Native Hawaiians have actively engaged and consulted with local, state, federal, and international governmental and non-governmental entities and agencies to define, develop, and pursue goals, policies, and positions consistent with Native Hawaiian culture, traditions, and values in an effort to increase the social, economic, health, and educational well-being, self-determination, and quest for justice for Native Hawaiians.

Your Committees further find that Native Hawaiians have raised the consciousness throughout Hawai'i of the importance of practicing Aloha 'Āina, or loving, caring, respecting, and honoring the precious and fragile lands, seas, and climate of Hawai'i Pae'Āina, which has led to significant policies and programs to protect the sustainability of Hawai'i's natural resources.

Your Committees further find that the list of Native Hawaiians who have achieved high proficiency and excellence in their fields of endeavor is too long to mention, is continually growing, and includes fields and disciplines of music, sports, the arts, filmmaking, hula, writing, literature, academics, medicine, law, history, social work, teaching, politics, business, science, Native Hawaiian culture and traditions, and Native Hawaiian language restoration and revitalization. After the explosion of Native Hawaiian accomplishment and achievement grounded in the language, culture, history, and traditions of Native Hawaiians over the past 30 years, it is now time to pause, celebrate, and commemorate all that has been achieved with the hope and intention of inspiring future generations of Native Hawaiians.

Your Committees have amended this measure by:

- (1) Delaying the Year of the Hawaiian to June 1, 2018, to June 1, 2019, to give the Office of Hawaiian Affairs more time to prepare;
- (2) Amending its title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and International Affairs and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 153, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 153, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (English, Kim).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1304 (Joint) Hawaiian Affairs and International Affairs and the Arts on S.R. No. 74

The purpose and intent of this measure is to request the Governor to issue a proclamation to designate January 2018 to January 2019 as the Year of the Hawaiian, and to request the Office of Hawaiian Affairs to study and recommend to the Legislature a plan to celebrate the Year of the Hawaiian.

Your Committees received testimony in support of this measure from the Native Hawaiian Education Council, Kamehameha Schools, and two individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that Native Hawaiians have a demonstrated history of independent thought, the ability to think critically, and the facility to express themselves effectively through a number of public venues, media, and forums to challenge existing norms, policies, and rules consistent with the growing renaissance, rebirth, and rise in their understanding and knowledge of Native Hawaiian history, Native Hawaiian culture, Native Hawaiian traditions, and Native Hawaiian values.

Your Committees further find that Native Hawaiians have actively engaged and consulted with local, state, federal, and international governmental and non-governmental entities and agencies to define, develop, and pursue goals, policies, and positions consistent with Native Hawaiian culture, traditions, and values in an effort to increase the social, economic, health, and educational well-being, self-determination, and quest for justice for Native Hawaiians.

Your Committees further find that Native Hawaiians have raised the consciousness throughout Hawai'i of the importance of practicing Aloha 'Āina, or loving, caring, respecting, and honoring the precious and fragile lands, seas, and climate of Hawai'i Pae'Āina, which has led to significant policies and programs to protect the sustainability of Hawai'i's natural resources.

Your Committees further find that the list of Native Hawaiians who have achieved high proficiency and excellence in their fields of endeavor is too long to mention, is continually growing, and includes fields and disciplines of music, sports, the arts, filmmaking, hula, writing, literature, academics, medicine, law, history, social work, teaching, politics, business, science, Native Hawaiian culture and traditions, and Native Hawaiian language restoration and revitalization. After the explosion of Native Hawaiian accomplishment and achievement grounded in the language, culture, history, and traditions of Native Hawaiians over the past 30 years, it is now time to pause, celebrate, and commemorate all that has been achieved with the hope and intention of inspiring future generations of Native Hawaiians.

Your Committees have amended this measure by:

- (1) Delaying the Year of the Hawaiian to June 1, 2018, to June 1, 2019, to give the Office of Hawaiian Affairs more time to prepare;
- (2) Amending its title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and International Affairs and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 74, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 74, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (English, Kim).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1305 (Joint) Hawaiian Affairs and International Affairs and the Arts on S.C.R. No. 150

The purpose and intent of this measure is to request the Office of Hawaiian Affairs to convene a study group to make recommendations to the Legislature on an appropriate means to honor Robert William Kalanihiapo Wilcox, Hawaii's first elected delegate to the United States Congress.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Native Hawaiian Education Council, and thirteen individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that Robert William Kalanihiapo Wilcox was born on February 15, 1855, on the island of Maui to Captain William Slocum Wilcox, a native of England by way of Newport, Rhode Island, and Kalua Makoleokalani of Maui, whose mother descended directly from Pi'ilani, ancient ruler of Maui Nui, and whose father descended directly from Umi, ancient ruler of Hawai'i.

Your Committees find that Robert William Kalanihiapo Wilcox was an instrumental and critically important figure in the struggles of Hawai'i from monarchy to statehood. After the United States' annexation of Hawai'i through the Newland's Resolution in 1898 and to ensure that Native Hawaiian interests were adequately represented in the Territory of Hawai'i government, Mr. Wilcox zealously and successfully lobbied the United States Congress to grant universal voting rights for men in the legislation that would later become the 1900 Hawaiian Organic Act. After the passage of the Hawaiian Organic Act by Congress in 1900, Mr. Wilcox organized Native Hawaiians who had been anti-annexation into the Hawaiian Independent Party, which was later called the Home Rule Party of Hawai'i, and with that Mr. Wilcox launched his candidacy for a seat in the Fifty-seventh United States Congress, which he later won.

From November 6, 1900, to March 3, 1903, Mr. Wilcox served in the Fifty-seventh Congress as Hawai'i's first Congressman and distinguished himself as a representative who fought for the rights of citizens. Realizing that as a United States territory, Hawai'i could send only non-voting representatives to Congress and that Hawai'i's territorial governors would be appointed by the United States President and not elected by territorial residents, Mr. Wilcox and other prominent Native Hawaiians supported Hawai'i becoming a state of the Union to ensure greater local control of Hawai'i's government by the people.

Your Committees further find that Mr. Wilcox should be remembered for his abiding support and advocacy for the rights of citizens to vote and fully participate in their government regardless of whether it was organized as a monarchy, a provisional government, a republic, or a territory of the United States. Mr. Wilcox is a cherished figure in the Hawaiian community for his contributions to Hawai'i's history and heritage. He dedicated his life, and at times even risked it, to preserve Native Hawaiian rights and self-determination.

Your Committees have amended this measure by:

- (1) Adding to the study group the Director of Lāhui Hawai‘i Research Center of the University of Hawai‘i and the Hawai‘i inuiākea School of Hawaiian Knowledge of the University of Hawaii; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and International Affairs and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 150, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 150, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (English, Kim).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1306 (Joint) Hawaiian Affairs and International Affairs and the Arts on S.R. No. 71

The purpose and intent of this measure is to request the Office of Hawaiian Affairs to convene a study group to make recommendations to the Legislature on an appropriate means to honor Robert William Kalanihioho Wilcox, Hawaii’s first elected delegate to the United States Congress.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Native Hawaiian Education Council, and thirteen individuals. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that Robert William Kalanihioho Wilcox was born on February 15, 1855, on the island of Maui to Captain William Slocum Wilcox, a native of England by way of Newport, Rhode Island, and Kalua Makoleokalani of Maui, whose mother descended directly from Pi‘ilani, ancient ruler of Maui Nui, and whose father descended directly from Umi, ancient ruler of Hawai‘i.

Your Committees find that Robert William Kalanihioho Wilcox was an instrumental and critically important figure in the struggles of Hawai‘i from monarchy to statehood. After the United States’ annexation of Hawai‘i through the Newland’s Resolution in 1898 and to ensure that Native Hawaiian interests were adequately represented in the Territory of Hawai‘i government, Mr. Wilcox zealously and successfully lobbied the United States Congress to grant universal voting rights for men in the legislation that would later become the 1900 Hawaiian Organic Act. After the passage of the Hawaiian Organic Act by Congress in 1900, Mr. Wilcox organized Native Hawaiians who had been anti-annexation into the Hawaiian Independent Party, which was later called the Home Rule Party of Hawai‘i, and with that Mr. Wilcox launched his candidacy for a seat in the Fifty-seventh United States Congress, which he later won.

From November 6, 1900, to March 3, 1903, Mr. Wilcox served in the Fifty-seventh Congress as Hawai‘i’s first Congressman and distinguished himself as a representative who fought for the rights of citizens. Realizing that as a United States territory, Hawai‘i could send only non-voting representatives to Congress and that Hawai‘i’s territorial governors would be appointed by the United States President and not elected by territorial residents, Mr. Wilcox and other prominent Native Hawaiians supported Hawai‘i becoming a state of the Union to ensure greater local control of Hawai‘i’s government by the people.

Your Committees further find that Mr. Wilcox should be remembered for his abiding support and advocacy for the rights of citizens to vote and fully participate in their government regardless of whether it was organized as a monarchy, a provisional government, a republic, or a territory of the United States. Mr. Wilcox is a cherished figure in the Hawaiian community for his contributions to Hawaii’s history and heritage. He dedicated his life, and at times even risked it, to preserve Native Hawaiian rights and self-determination.

Your Committees have amended this measure by:

- (1) Adding to the study group the Director of Lāhui Hawai‘i Research Center of the University of Hawai‘i and the Hawai‘i inuiākea School of Hawaiian Knowledge of the University of Hawaii; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and International Affairs and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 71, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 71, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 3. Noes, none. Excused, 2 (English, Kim).

International Affairs and the Arts: Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1307 (Joint) Higher Education and Human Services on S.C.R. No. 15

The purpose and intent of this measure is to request that the University of Hawaii Center on Aging convene a task force to assess existing elder and kupuna care services and the anticipated demand for those services in order to improve services and meet future demand.

Your Committees received testimony in support of this measure from the University of Hawai‘i System, AARP Hawaii, Lanakila Pacific, and one individual.

Your Committees find that by 2030, Hawaii residents aged sixty and older are projected to constitute 27.4 percent of the State’s population, and that this large aging population will have a significant impact on the organization and delivery of healthcare. Your Committees further find that the kupuna care program is an alternative to traditional long-term care supports and services, and has a goal of enabling older adults to lead independent, meaningful, and dignified lives in their own homes and communities. Kupuna care also strives to provide a safety net of services for all kupuna and their caregivers, including access to affordable and quality home- and

community-based services, hot meals, transportation, case management, and personal care assistance. Your Committees note testimony received which explains that currently it is challenging to find appropriately trained service providers for kupuna care services and the importance of building capacity to respond to the needs of Hawaii's current and growing older population.

Your Committees have amended this measure by:

- (1) Inserting language to request the task force to conduct a complete economic analysis of the cost for primary kupuna care services, adequate training, workforce expansion, service expansion, and financing to improve the current elder and kupuna care services and meet anticipated demand;
- (2) Inserting language to add the Director of Business, Economic Development, and Tourism or the Director's designee to the task force; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 15, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 15, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Taniguchi).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 1308 Judiciary and Labor on Gov. Msg. No. 556

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 556 KALEIHIKAPOLI RAPOZA, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kaleihiikapolli Rapoza to possess the requisite qualifications to be nominated to the Board of Trustees of the Deferred Compensation Plan.

Your Committee received testimony in support of the nomination for the appointment of Mr. Kaleihiikapolli Rapoza from the Department of Budget and Finance, Department of Accounting and General Services, and four individuals.

Upon review of the testimony, your Committee finds that Mr. Rapoza's professional experience and background in human resource management and employee benefit program administration qualify him to be nominated for appointment to the Board of Trustees of the Deferred Compensation Plan. Your Committee notes that Mr. Rapoza is the Director of Human Resources at the University of Hawaii at Hilo and has served on the Board of Trustees of the Deferred Compensation Plan as an interim member since 2016. He has previously worked as a labor relations personnel specialist and law clerk for the Department of Education, private-sector paralegal researcher, and trustee aide in the Office of Hawaiian Affairs. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Rapoza will continue to be an asset to the Board of Trustees of the Deferred 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, 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 (Kim).

SCRep. 1309 Judiciary and Labor on Gov. Msg. Nos. 561, 562, 563, 564, 565, 566, 567, 568, 569, and 570

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 561 SHANNON OKINAKA, for a term to expire 06-30-2017;

G.M. No. 562 SHANNON OKINAKA, for a term to expire 06-30-2021;

G.M. No. 563 GLENN ALCALDE, for a term to expire 06-30-2020;

G.M. No. 564 EVELYN BARFIELD, for a term to expire 06-30-2019;

G.M. No. 565 GLEN KANESHIGE, for a term to expire 06-30-2017;

G.M. No. 566 GLEN KANESHIGE, for a term to expire 06-30-2021;

G.M. No. 567 IAN KITAJIMA, for a term to expire 06-30-2019;

G.M. No. 568 EDWARD RICHARDSON, for a term to expire 06-30-2018;

G.M. No. 569 ALICIA MOY, for a term to expire 06-30-2017; and

G.M. No. 570 ALICIA MOY, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Shannon Okinaka, Glenn Alcalde, Evelyn Barfield, Glen Kaneshige, Ian Kitajima, Edward Richardson, and Alicia Moy to possess the requisite qualifications to be nominated to the Hawai'i Workforce Development Council.

SHANNON OKINAKA

Your Committee received testimony in support of the nomination for the appointment and reappointment of Ms. Shannon Okinaka from the Department of Labor and Industrial Relations, Hawai'i Workforce Development Council, and one individual.

Upon review of the testimony, your Committee finds that Ms. Okinaka's professional experience and background in accounting, finance, and investor relations qualify her to be nominated for appointment and reappointment to the Hawai'i Workforce Development Council. Your Committee notes that Ms. Okinaka is the Chief Financial Officer of Hawaiian Airlines, Inc., and has served as Chair of the Hawai'i Workforce Development Council's Finance Committee on an interim basis. She serves as the Director of the Japanese Cultural Center of Hawaii and Oahu Economic Development Board. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Okinaka will continue to be an asset to the Hawai'i Workforce Development Council.

GLENN ALCALDE

Your Committee received testimony in support of the nomination for the appointment of Mr. Glenn Alcalde from the Department of Labor and Industrial Relations, Hawai'i Workforce Development Council, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Alcalde's professional experience and background in the construction trades industry qualify him to be nominated for appointment to the Hawai'i Workforce Development Council. Your Committee notes that Mr. Alcalde is a training coordinator for the Hawaii Carpenters Apprenticeship and Training Fund and has previously worked as the General Foreman at Constructors Hawaii Inc., and as a framing instructor at Honolulu Community College and the Hawaii Carpenters Union Local 745. He has experience in various construction trades, including carpentry and metal framing. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Alcalde will be an asset to the Hawai'i Workforce Development Council.

EVELYN BARFIELD

Your Committee received testimony in support of the nomination for the appointment of Ms. Evelyn Barfield from the Department of Labor and Industrial Relations, Hawai'i Workforce Development Council, Society for Human Resource Management-Hawaii Chapter, and two individuals.

Upon review of the testimony, your Committee finds that Ms. Barfield's professional experience and background in human resource management qualify her to be nominated for appointment to the Hawai'i Workforce Development Council. Your Committee notes that Ms. Barfield is the Human Resources Business Partner at Meadow Gold Dairies, previously worked for Hawai'i Human Resources and Hawai'i Jobs Corps, and has extensive experience with business partnerships in the private and public sectors. She is a member of the Society for Human Resource Management Hawaii and volunteers in the Volunteer Leadership Training Program in Washington, D.C., and Employer Support of the Guard and Reserve. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Barfield will be an asset to the Hawai'i Workforce Development Council.

GLEN KANESHIGE

Your Committee received testimony in support of the nomination for the appointment and reappointment of Mr. Glen Kaneshige from the Department of Labor and Industrial Relations; Hawai'i Workforce Development Council; General Contractors Association of Hawaii; Hawaii Laborers-Employers Cooperation and Education Trust; Operative Plasterers' and Cement Masons' International Association Local #630, AFL-CIO; and two individuals.

Upon review of the testimony, your Committee finds that Mr. Kaneshige's professional experience and background in the construction industry and apprenticeship programs qualify him to be nominated for appointment and reappointment to the Hawai'i Workforce Development Council. Your Committee notes that Mr. Kaneshige is the President of Nordic PCL Construction, Inc., and serves as a trustee of the Hawaii Carpenters Union Health and Welfare Fund and Masons and Plasterers Training and Vacation/Holiday Fund and on the Boards of Directors of Hawaii Benefit Administrators, the General Contractors Association of Hawaii, General Contractors Labor Association, American Heart Association, Child & Family Service, and Teach for America. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Kaneshige will continue to be an asset to the Hawai'i Workforce Development Council.

IAN KITAJIMA

Your Committee received testimony in support of the nomination for the appointment of Mr. Ian Kitajima from the Department of Labor and Industrial Relations, Hawai'i Workforce Development Council, Chamber of Commerce Hawaii, and four individuals.

Upon review of the testimony, your Committee finds that Mr. Kitajima's professional experience and background in technology development and public-private partnerships qualify him to be nominated for appointment to the Hawai'i Workforce Development Council. Your Committee notes that Mr. Kitajima is the Director of Corporate Development at Oceanit Labs, Inc., and co-founder of Design Thinking Hawaii, served as a member of the Governor's STEM Strategy Team, and has an extensive history of speaking engagements on business and technology topics. He is a Trustee of the Public Schools of Hawaii Foundation and a Windward Community College Ambassador. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Kitajima will be an asset to the Hawai'i Workforce Development Council.

EDWARD RICHARDSON

Your Committee received testimony in support of the nomination for the appointment of Major General Edward Richardson from the Department of Labor and Industrial Relations, Hawai'i Workforce Development Council, Chamber of Commerce Hawaii, and two individuals.

Upon review of the testimony, your Committee finds that Major General Richardson's military experience and commitment to public service qualify him to be nominated for appointment to the Hawai'i Workforce Development Council. Your Committee notes that Major General Richardson served as the Adjutant General of the State of Hawaii, Military Commander of the Hawaii Army and

Air National Guard, and Director of the State Civil Defense. He now serves on the Executive Committee of the Military Affairs Council of the Chamber of Commerce Hawaii and is the Director of the Hawaii National Guard Youth Challenge Academy Foundation. Based on his knowledge, experience, and commitment to public service, your Committee finds that Major General Richardson will be an asset to the Hawai'i Workforce Development Council.

ALICIA MOY

Your Committee received testimony in support of the nomination for the appointment and reappointment of Ms. Alicia Moy from the Department of Labor and Industrial Relations, Hawai'i Workforce Development Council, Chamber of Commerce Hawaii, and two individuals.

Upon review of the testimony, your Committee finds that Ms. Moy's professional experience and background in the energy industry qualify her to be nominated for appointment and reappointment to the Hawai'i Workforce Development Council. Your Committee notes that Ms. Moy is the President and Chief Executive Officer of Hawaii Gas and has previously worked at Macquarie Infrastructure Company. She serves on the Board of the Chamber of Commerce Hawaii, Aloha United Way, March of Dimes, and Western Energy Institute. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Moy will be an asset to the Hawai'i Workforce Development 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 (Thielen).

SCRep. 1310 Judiciary and Labor on Gov. Msg. No. 625

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM

G.M. No. 625 VINCENT BARFIELD, for a term to expire 01-01-2023

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Vincent Barfield to possess the requisite qualifications to be nominated for reappointment to the Board of Trustees of the Employers' Retirement System.

Your Committee received testimony in support of the nomination for the reappointment of Mr. Vincent Barfield from the Department of Budget and Finance, Employees' Retirement System, and four individuals.

Upon review of the testimony, your Committee finds that Mr. Barfield's professional experience and background in banking, investment services, and retirement plans qualify him to be nominated for reappointment to the Board of Trustees of the Employers' Retirement System. Your Committee notes that Mr. Barfield is a Trust Services Group executive who oversees the fiduciary businesses at Bank of Hawaii and has served on the Board of Trustees of the Employers' Retirement System since 2011 as a member and as the chair of the Audit and Investment Committees. He currently serves as a member of the Association of Military Banks of America, USS Missouri Memorial Association, Barstow Foundation, and Navy League. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Barfield will continue to be an asset to the Board of Trustees of the Employers' Retirement System.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, 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 (Kim).

SCRep. 1311 Higher Education on Gov. Msg. No. 597

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I MEDICAL EDUCATION COUNCIL

G.M. No. 597 CHRISTOPHER FLANDERS, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Christopher Flanders to possess the requisite qualifications to be nominated to the Hawai'i Medical Education Council.

Your Committee received testimony in support of the nomination of Christopher Flanders from the University of Hawai'i System, Mountain-Pacific Quality Health Foundation, and two individuals.

Dr. Flanders is currently the Executive Director of the Hawaii Medical Association, and has extensive experience in private practice, academic medicine, and healthcare policy. As a resident of the Island of Hawaii, Dr. Flanders is dedicated to ensuring that quality healthcare is available statewide, and to further this goal he co-founded the Hawaii Island Healthcare Alliance to gather data regarding healthcare disparities on the Island of Hawaii.

Your Committee finds that Dr. Flanders has demonstrated a significant commitment to public service, as evidenced by his service on numerous boards and councils such as the Mountain-Pacific Quality Health Foundation Board of Directors and as a member of the Hawaii Physician Shortage Workgroup. Dr. Flanders has worked closely with the University of Hawaii John A. Burns School of Medicine in various capacities, including on the physician workforce assessment and resident training programs intended to address physician shortages and benefit underserved areas of the State. Dr. Flanders is passionate about finding short- and long-term

collaborative strategies to improve physician development, recruitment, and retention in Hawaii. Your Committee finds that Dr. Flanders' background, leadership, and strong commitment to his profession will be tremendous assets to the Hawai'i Medical Education Council.

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

SCRep. 1312 Commerce, Consumer Protection, and Health on Gov. Msg. No. 510

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HAWAI'I COUNTY SUBAREA

G.M. No. 510 MOMI FERNANDEZ, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Momi Fernandez to possess the requisite qualifications to be nominated to the Health Planning Council, Hawai'i County Subarea.

Your Committee received testimony in support of the nomination of Momi Fernandez from the State Health Planning and Development Agency and one individual.

Prior to retirement, Ms. Fernandez served as the Director of the Census Information Center of Papa Ola Lokahi, where she was awarded the Certificate of Appreciation for Outstanding Achievement on multiple occasions. Your Committee notes that Ms. Fernandez also served as Project Manager for several initiatives by the United States Census Bureau, National Library of Medicine, and Asian Americans Advancing Justice. In addition to extensive leadership experience related to data and data resources, Ms. Fernandez's background demonstrates knowledge of the delivery of health services, health services shortage areas, and cultural sensitivities within the health delivery system. Your Committee finds that Ms. Fernandez is a dedicated community member and currently serves on the Board of Directors for Ho'omau Ke Ola and the Advisory Board for the Native Hawaiian Health Scholarship Program. In her personal statement, Ms. Fernandez indicated that she hopes to use her ability to recognize health services gaps, population mobility, and needs in rural areas to make an impact toward community health and wellness. Your Committee finds that Ms. Fernandez's expertise in health data, background working with diverse populations, and commitment to public service will greatly benefit the Health Planning Council, Hawai'i County Subarea.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1313 Commerce, Consumer Protection, and Health on Gov. Msg. No. 511

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WINDWARD O'AHU SUBAREA

G.M. No. 511 JUDY FOMIN, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Judy Fomin to possess the requisite qualifications to be nominated to the Health Planning Council, Windward O'ahu Subarea.

Your Committee received testimony in support of the nomination of Judy Fomin from the State Health Planning and Development Agency and two individuals.

Prior to retirement, Ms. Fomin worked as a special assistant to Representative Michael Magaoay for ten years. Prior to that position, Ms. Fomin spent many years working in the field of domestic violence, including as the Director of the San Mateo Battered Women's Center. Your Committee notes that Ms. Fomin has a Master's degree in clinical psychology and worked as a counselor providing services to victims of domestic violence and incarcerated men and women for twenty years. Your Committee finds that Ms. Fomin has been involved in health care services for approximately thirty-five years, and also has an extensive record of community involvement. Ms. Fomin currently serves as the Board President of Ko'olauloa Health Center and has chaired the Legislative Committee and been a member for five years. In her personal statement, Ms. Fomin indicated that she hopes to make an impact by helping provide the community with quality health services at a reasonable cost. Your Committee finds that Ms. Fomin's background, knowledge, and dedication to public service will greatly benefit the Health Planning Council, Windward O'ahu Subarea.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1314 Commerce, Consumer Protection, and Health on Gov. Msg. No. 512

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUA'I SUBAREA

G.M. No. 512 JENNIE CHAHANOVICH, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jennie Chahanovich to possess the requisite qualifications to be nominated to the Health Planning Council, Kaua'i Subarea.

Your Committee received testimony in support of the nomination of Jennie Chahanovich from the State Health Planning and Development Agency; Healthcare Association of Hawaii; Hawai'i Pacific Health; Hawaii Health Systems Corporation, West Hawaii Region; and seven individuals.

Ms. Chahanovich is currently the President and Chief Executive Officer of Wilcox Memorial Hospital and Chief Executive Officer of Kaua'i Medical Clinic, which are affiliated with Hawai'i Pacific Health. Your Committee finds that Ms. Chahanovich is an accomplished healthcare executive with extensive experience in hospital administration and licensures in executive management and long-term care administration. Ms. Chahanovich is also a fellow of the American Association in Respiratory Care and the American College of Health Care Executives. Your Committee notes that Ms. Chahanovich is very knowledgeable about Kauai's healthcare needs and is familiar with the Health Planning Council, Kaua'i Subarea, as she previously served as a member of the Council. Your Committee finds that Ms. Chahanovich is actively involved in the community and, among other positions, has served as Chair of the American Heart Association and the Board of Hospice Hawai'i. In her personal statement, Ms. Chahanovich indicated that she hopes to use her years of experience interacting with healthcare providers and consumers to promote health, wellness, and access to care for the Kaua'i community. Your Committee finds that Ms. Chahanovich's professional experience, personal and educational background, and leadership in the community will greatly benefit the Health Planning Council, Kaua'i County Subarea.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1315 Commerce, Consumer Protection, and Health on Gov. Msg. No. 513

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST O'AHU SUBAREA

G.M. No. 513 PATRICE JACKSON, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Patrice Jackson to possess the requisite qualifications to be nominated to the Health Planning Council, West O'ahu Subarea.

Your Committee received testimony in support of the nomination of Patrice Jackson from the State Health Planning and Development Agency, Wahiawa Nursing and Rehabilitation Center, and five individuals.

Ms. Jackson is currently a member of the faculty at Leeward Community College and Director of the school's Health Information Technology Program and Coordinator of Workforce Development. Your Committee finds that Ms. Jackson has over thirty years of experience in health information technology and management, and has expertise in serving as the bridge between information, patients, and healthcare providers. Ms. Jackson also provides consultation services in the field of health information, billing, and patient administration. Your Committee notes that Ms. Jackson has several certifications in health information technology and is very skilled at analyzing data and determining fact. Your Committee finds that Ms. Jackson is a member of several professional organizations and currently serves as President of the Hawaii State Chapter of the American Medical Billing Association. In her personal statement, Ms. Jackson indicated that she is excited to use her experience in health information management to serve the community and advocate for consumers. Your Committee finds that Ms. Jackson's knowledge, professional experience, and commitment to public service will greatly benefit the Health Planning Council, West O'ahu Subarea.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1316 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 514 and 515

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 514 NIKKI KEPOO, for a term to expire 06-30-2017; and

G.M. No. 515 NIKKI KEPOO, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nikki Kepoo to possess the requisite qualifications to be nominated for the appointment and reappointment to the Disability and Communication Access Board.

Your Committee received testimony in support of the nomination for the appointment and reappointment of Nikki Kepoo from the Disability and Communication Access Board; Great Destinations, Inc.; HRE Technologies LLC; and three individuals.

Ms. Kepoo is currently the office manager at HRG Technologies LLC/Hokukahu LLC and has over twenty years of administrative management experience. Your Committee received testimony indicating that Ms. Kepoo demonstrates natural leadership qualities, excellent communication skills, and a positive outlook on life. As the mother of a deaf son, Ms. Kepoo is well-aware of the issues affecting the deaf community, such as access to government facilities and services within the community. Ms. Kepoo is a committed activist for deaf children, advocating for the Language Equality and Acquisition for Deaf Kids initiative and serving as a member of the Department of Health's Early Language Working Group, the School Community Counsel at the Hawaii School for the Deaf and Blind, and the Hawaii Newborn Hearing Screening Board. Ms. Kepoo is also a strong advocate for Hawaiian language schools. In her personal statement, Ms. Kepoo indicated that she hopes to provide practical insight into life challenges that arise for families with a deaf child as well as support state agencies in adapting to provide access to all individuals. Your Committee finds that Ms. Kepoo's experiences advocating for issues that affect access by the deaf community, as well as her demonstrated commitment to public service, will be great assets to the Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1317 Commerce, Consumer Protection, and Health on Gov. Msg. No. 516

Recommending that the Senate advise and consent to the nomination of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

G.M. No. 516 APHIRAK BAMRUNGRUAN, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Aphirak Bamrungruan to possess the requisite qualifications to be nominated to the Language Access Advisory Council.

Your Committee received testimony in support of the nomination of Aphirak Bamrungruan from the Department of Health, Department of Human Services, Office of Language Access, and twelve individuals.

Your Committee finds that Mr. Bamrungruan is presently the Project Manager for the Limited English Proficient Project within the Department of Human Services and has the practical and administrative experience of managing state department-wide efforts to improve language access. Your Committee further finds that Mr. Bamrungruan has worked with state and federal agencies on language compliance, and is currently a strong advisor to the Office of Language Access. In his personal statement, Mr. Bamrungruan indicated that he hopes to provide insight so that all entities have a better understanding of language access law in addition to meaningful access to services, programs, and activities for individuals with limited English proficiency. Mr. Bamrungruan is originally from Thailand and learned English as a second language. In addition to many other accomplishments, Mr. Bamrungruan has prior experience as a licensed attorney practicing immigration and family law, which is valuable to the Language Access Advisory Council because it provided Mr. Bamrungruan with an astute understanding of Hawaii's language access law and its intersection with relevant federal law. Your Committee finds that Mr. Bamrungruan's personal background, as well as his legal expertise and experience with increasing language access for limited English proficient individuals by implementing large-scale programs and policies, demonstrates his ability to advance the goals of the Office of Language Access.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1318 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 517, 518, 519, 520, 521, 522, and 523

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUA'I SERVICE AREA BOARD

G.M. No. 517 ANGELA UECHI, for a term to expire 06-30-2020;

G.M. No. 518 ELENA ELLENBERGER, for a term to expire 06-30-2019;

G.M. No. 519 KEVIN MYRICK, for a term to expire 06-30-2020;

G.M. No. 520 KURT NAGATA, for a term to expire 06-30-2020;

G.M. No. 521 LANI NAGAO, for a term to expire 06-30-2020;

G.M. No. 522 MONICA CONTRADES, for a term to expire 06-30-2019; and

G.M. No. 523 SHEILA CALCAGNO, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Angela Uechi, Elena Ellenberger, Kevin Myrick, Kurt Nagata, Lani Nagao, Monica Contrades, and Sheila Calcagno to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Kauai Service Area Board.

ANGELA UECHI

Your Committee received testimony in support of the nomination of Angela Uechi from the Department of Health, Friendship House, and Friendship Club.

Ms. Uechi is currently employed by Mental Health Kokua as a relief resident assistant, and she is also a personal assistant to an individual who recently became blind. As a consumer of mental health services, Ms. Uechi has committed her time to working and volunteering with others in her community who need assistance. For almost six years, Ms. Uechi has been a member of Friendship House Kauai, and she presently serves on the Friendship Club Board of Directors. In addition, Ms. Uechi is a Hawaii Certified Peer Specialist and is enrolled in Benefits Practitioner Training through the University of Hawaii Center on Disability Studies. In her personal statement, Ms. Uechi indicated that she hopes to form policy to increase the allowance level of care-home residents, establish an in-patient treatment facility, and bring needed psychiatrists to Kauai. Your Committee finds that Ms. Uechi's background, experience, and community involvement will be great assets to the Mental Health and Substance Abuse, Kauai Service Area Board.

ELENA ELLENBERGER

Your Committee received testimony in support of the nomination of Elena Ellenberger from the Department of Health.

Ms. Ellenberger works for the Steadfast Development Corporation as a residential specialist and group home managers team leader. For many years, Ms. Ellenberger has been helping individuals in recovery obtain successful housing, often serving as a liaison between the treatment team, landlord, housing agency, and consumer. Ms. Ellenberger is also an artist, and her design was chosen as the agency design for the Steadfast Development Corporation. Your Committee notes Ms. Ellenberger's commitment to ending homelessness in her community, as evidenced by her involvement with the Kauai Chapter of Bridging the Gap for Housing and Urban Development's Continuum of Care Program. In her personal statement, Ms. Ellenberger indicated that she hopes to promote recovery, meaningful community involvement by individuals with mental illness and substance abuse, and to establish a substance abuse rehabilitation facility on Kauai. Your Committee finds that Ms. Ellenberger's knowledge, experience, and dedication to the community will benefit the Mental Health and Substance Abuse, Kauai Service Area Board.

KEVIN MYRICK

Your Committee received testimony in support of the nomination of Kevin Myrick from the Department of Health, Hawai'i Pacific Health, and one individual.

Mr. Myrick is presently the nurse manager of critical care service line at Wilcox Memorial Hospital. With twenty-seven years of experience as a registered nurse in a variety of healthcare settings, Mr. Myrick has expertise in emergency, surgery, and critical care. Mr. Myrick has also served as a healthcare administrator for many years, and is an advocate for the medical, emotional, and psychological needs of all patients. Community involvement is important to Mr. Myrick, and he is active in the local county suicide task force. In his personal statement, Mr. Myrick indicated that he hopes to reduce the stigma of mental health patients seeking medical care, remove barriers to care, and educate healthcare professionals on how they are perceived in the mental health community. Your Committee finds that Mr. Myrick's skills, professional experience, and demonstrated interest in helping the community will greatly assist the Mental Health and Substance Abuse, Kauai Service Area Board.

KURT NAGATA

Your Committee received testimony in support of the nomination of Kurt Nagata for reappointment from the Department of Health.

Mr. Nagata is employed at Kala's Creations as a part-time employee. He is also a certified speaker and has completed facilitator training through the mental health transformation grant. Mr. Nagata enjoys sharing his knowledge and experience with others, is actively involved on the Kauai Friendship Club Board of Directors, and has served on the Mental Health and Substance Abuse, Kauai Service Area Board, since 2013. In addition, Mr. Nagata was previously a member of the Self-Advocacy Advisory Council. In his personal statement, Mr. Nagata indicated that he has lived a full life as a recovering alcoholic diagnosed with a mental illness, and wants to instill hope in others who have a mental illness to help them live a healthier and more fulfilling life. Your Committee finds that Mr. Nagata's personal history, experience, and demonstrated community involvement qualify him for reappointment to the Mental Health and Substance Abuse, Kauai Service Area Board.

LANI NAGAO

Your Committee received testimony in support of the nomination of Lani Nagao from the Department of Health and one individual.

Ms. Nagao is the Director of Business and Community Relations at the McKenna Recovery Center and, in addition to her job responsibilities, finds time to speak with patients and provide support in their recovery. Ms. Nagao has extensive knowledge about addiction, recovery, and treatment, and describes her biggest strength as her desire to improve society. As a community development specialist, Ms. Nagao excels at connecting people and organizations to maximize opportunities for successful connections and improve patient well-being. Your Committee notes that Ms. Nagao has demonstrated significant dedication to public service, as evidenced by her volunteer efforts with the Boys and Girls Club and Kauai Rotary Club, and her service as President of the Kauai Rural Health Association and on the Mayor of Kauai's Advisory Council for Substance Abuse Treatment and Community Integration. Your Committee finds that Ms. Nagao's knowledge, leadership experience, and commitment to public service will be valuable assets to the Mental Health and Substance Abuse, Kauai Service Area Board.

MONICA CONTRADES

Your Committee received testimony in support of the nomination of Monica Contrades for reappointment from the Department of Health.

Ms. Contrades is a certified speaker through the mental health transformation grant. For the past eight years, Ms. Contrades has been actively involved in the Consumer, Family, and Youth Hui and Speakers' Bureau through which she is able to share her story with numerous community groups such as Aloha United Way and Rotary Club of Kauai. As a mental health consumer for over fifty years, Ms. Contrades believes that her experiences can serve as an example and help to educate her community about mental illness in order to reduce the stigma associated with it. Born and raised on Kauai, Ms. Contrades is actively involved in her community, serving on the Mental Health and Substance Abuse, Kauai Service Area Board, since 2012, and as a member of Friendship House Kauai in the Food Unit, where she shares her love of baking and cooking with her peers. Your Committee finds that Ms. Contrades' personal experience, skills, and community involvement qualify her for reappointment to the Mental Health and Substance Abuse, Kauai Service Area Board.

SHEILA CALCAGNO

Your Committee received testimony in support of the nomination of Sheila Calcagno for reappointment from the Department of Health and two individuals.

Ms. Calcagno is currently employed with the Community Health Outreach Work to Prevent AIDS Project as an outreach worker for substance abuse working to strengthen families against drug abuse. For over fifteen years, Ms. Calcagno has served the community as an outreach worker for mental health consumers with dual diagnoses, also advocating for improving the lives of individuals living with Human Immunodeficiency Virus that are likely to engage in drug use. Ms. Calcagno is dedicated to community service and, in addition to serving on the Mental Health and Substance Abuse, Kauai Service Area Board, since 2013, she is the Kauai representative on the State Council on Mental Health. In addition, Ms. Calcagno has volunteered for many years with the community planning board for HIV in Oahu, a women's shelter, and Hale Opio Kauai as a therapeutic foster parent. Your Committee finds that Ms. Calcagno's background, experience, and extensive public service qualify her for reappointment to the Mental Health and Substance Abuse, Kauai Service Area Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1319 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 524, 525, 526, and 527

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. 524 WILLIAM LAWSON, for a term to expire 06-30-2017;
- G.M. No. 525 WILLIAM LAWSON, for a term to expire 06-30-2021;
- G.M. No. 526 HAROLD AMES, for a term to expire 06-30-2019; and
- G.M. No. 527 CAPRENA ROWE, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds William Lawson, Harold Ames, and Caprena Rowe to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Maui Service Area Board.

WILLIAM LAWSON

Your Committee received testimony in support of the nominations for appointment and reappointment of William Lawson from the Department of Health and one individual.

Prior to retirement, Mr. Lawson worked for the United States Department of Housing and Urban Development. As the father of a daughter with bipolar and schizoaffective disorder who has a history of alcohol and drug abuse, Mr. Lawson is familiar with the needs and challenges of individuals with dual diagnoses. Mr. Lawson is also knowledgeable about available community resources for the mentally ill and persons with disabilities, especially with housing options and financial assistance for housing. Your Committee notes that Mr. Lawson is a certified educator with the National Association of Mental Illness and has been active as a teacher of Family to Family classes with this organization. In his personal statement, Mr. Lawson indicated that he hopes to highlight the needs of the mentally ill population on Maui as well as how to prevent and treat mental and emotional disorders and individuals afflicted with combined mental illness and substance abuse disorders. Your Committee therefore finds that Mr. Lawson's knowledge, personal experience, and desire to contribute to the community will be valuable assets to the Mental Health and Substance Abuse, Maui Service Area Board.

HAROLD AMES

Your Committee received testimony in support of the nomination of Harold Ames from the Department of Health and two individuals.

Mr. Ames is the founder and president of the Hawaii Association for Industrial-Organizational Psychology and is an experienced researcher-practitioner in the field of industrial-organizational psychology. Your Committee finds that Mr. Ames organized a nationally

renowned suicide prevention training on Maui and has experience, skills, and training in policy analysis that provide a valuable perspective about the delivery of mental health and substance abuse services. Your Committee notes that Mr. Ames is already actively contributing to the Mental Health and Substance Abuse, Maui Service Area Board and thus is familiar with the role and responsibilities of board members. Mr. Ames indicated in his personal statement that he hopes to contribute to the redesign of the mental health and substance abuse field in Hawaii to better promote sustainable wellness. Your Committee therefore finds that Mr. Ames' background, experience, and commitment to the community will provide a significant contribution to the Mental Health and Substance Abuse, Maui Service Area Board.

CAPRENA ROWE

Your Committee received testimony in support of the nomination of Caprena Rowe from the Department of Health.

Ms. Rowe is currently a Crisis Worker at Aloha House Treatment Center and has training as a Hawaii Certified Peer Specialist and a Wellness Recovery Action Plan Facilitator. As a consumer of mental health services, Ms. Rowe hopes to contribute to the community by sharing her knowledge and expertise and hopes to gain valuable life experience. Your Committee notes that Ms. Rowe has provided hospital after care for persons in crisis, including individuals with suicidal ideation, and has participated in community trainings and educational programs for Mental Health America of Hawaii. Ms. Rowe has also completed Peer to Peer Training and Tool Boxes Training, which she indicated have taught her empathy, social responsibility, and the ability to instill hope in others. In her personal statement, Ms. Rowe also indicated that she wants to help consumers learn about the benefits of having self-help groups based on a shared common interest. Your Committee therefore finds that Ms. Rowe's experience, personal knowledge, and demonstrated interest in public service will be valuable resources to the Mental Health and Substance Abuse, Maui Service Area Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1320 Commerce, Consumer Protection, and Health on Gov. Msg. No. 529

Recommending that the Senate advise and consent to the nomination of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 529 LORI OKUDA, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lori Okuda to possess the requisite qualifications to be nominated to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Lori Okuda from the Department of Health and one individual.

Your Committee finds that Ms. Okuda is presently a radiologic technologist at Castle Medical Center and has practiced as a technologist for thirty-seven years. Ms. Okuda is familiar with the workings of the Radiologic Technology Board, as she previously served as a member of the Board, and has extensive experience in the areas of mammography, mobile radiology, fluoroscopy, and general radiography. In addition to her extensive training and knowledge in multiple radiology fields, Ms. Okuda is currently involved with the Hawaii Society of Radiologic Technologists. In her personal statement, Ms. Okuda indicated that she hopes to protect the public from unnecessary radiation by ensuring that the profession stays up to date with technology and that practitioners in the State are using ionizing radiation safely. Your Committee finds that Ms. Okuda's expertise in radiation safety and compliance with state and federal inspections, as well as her demonstrated commitment to patient safety, will be great assets to the Radiologic Technology Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1321 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 530 and 531

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 530 BARBARA YAMASHITA, for a term to expire 06-30-2020; and

G.M. No. 531 COLETTE BROWNE, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Barbara Yamashita and Colette Browne to possess the requisite qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

BARBARA YAMASHITA

Your Committee received testimony in support of the nomination of Barbara Yamashita from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, Hawaii State Coalition Against Domestic Violence, and seven individuals.

Upon review of the testimony, your Committee finds that Ms. Yamashita's knowledge, background, and demonstrated leadership building community partnerships and raising awareness to promote family wellness qualify her to serve on the Policy Advisory Board for Elder Affairs. Prior to retirement, Ms. Yamashita served as the Deputy Director of the Department of Community Services of the City and County of Honolulu, which houses the Elderly Affairs Division. Ms. Yamashita also spent years working at the Department of Health in various positions and at the Department of Human Services, where her responsibilities included Adult Protective Services and the Senior Grandparent and Retired and Senior Volunteer Programs. Your Committee notes that Ms. Yamashita has experience as a hospital administrator and was employed for many years in the public health sector. Among other positions, Ms. Yamashita has served as a Board Member of the National Association of Chronic Disease Directors and a member of the State Health Planning and Development Agency Area Council. Your Committee therefore finds that Ms. Yamashita is qualified to serve on the Policy Advisory Board for Elder Affairs based on her background, experience, and commitment to fostering healthy and productive aging.

COLETTE BROWNE

Your Committee received testimony in support of the nomination of Colette Browne from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, AARP Hawaii, and two individuals.

Upon review of the testimony, your Committee finds that Dr. Browne's experience and extensive professional history in the field of gerontology qualify her to serve on the Policy Advisory Board for Elder Affairs. Dr. Browne has been a professor at the Myron B. Thompson School of Social Work at the University of Hawaii for over thirty years, is Chair of the Gerontology Program, and has served as Interim Director of the University of Hawaii Center on Aging. Dr. Browne has conducted numerous research studies and published extensively on issues faced by older adults, focusing on areas including aging among minority groups, social policy and aging, and long-term care. Your Committee further finds that Dr. Browne has received many honors, including for her work as principal investigator of the Ha Kupuna Program, which strives to improve the health and increase the life expectancy of Native Hawaiian elders. Your Committee notes that Dr. Browne previously served on the Policy Advisory Board for over fifteen years, and thus has a thorough understanding of the role and responsibilities of board members. Your Committee therefore finds that Dr. Browne is qualified to serve on the Policy Advisory Board for Elder Affairs based on her knowledge, experience, and clear dedication to gerontology, social work, and public health.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Chang, Ihara).

SCRep. 1322 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 591, 592, 593, and 594

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 591 BATHEY FONG, for a term to expire 06-30-2020;
- G.M. No. 592 CAROL YOUNG, for a term to expire 06-30-2017;
- G.M. No. 593 CAROL YOUNG, for a term to expire 06-30-2021; and
- G.M. No. 594 RENEE MANFREDI, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Bathey Fong, Carol Young, and Renee Manfredi to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

BATHEY FONG

Your Committee received testimony in support of the nomination of Bathey Fong from the State Council on Developmental Disabilities, Disability and Communication Access Board, Lanakila Pacific, and ten individuals.

Ms. Fong is an extremely active community member committed to teaching others how to use their voice and advocate for themselves. As an individual with a developmental disability, Ms. Fong sees herself as a role model for others to learn how to speak up for themselves and pursue their dreams. Ms. Fong currently resides in a home operated by the Arc in Hawaii and is learning to live independently in hopes of living on her own in the near future. Your Committee notes that Ms. Fong is presently contributing to her community and demonstrating leadership in many ways, as a member and past president of the Hawaii Self-Advocacy Advisory Council, member of the Department of Human Services My Choice My Way Advisory Work Group, and volunteer tour guide at Lanakila Pacific. Ms. Fong is also a recognized trainer in the community for emergency preparedness and disaster training for people with disabilities. Your Committee finds that Ms. Fong's personal experience, strong commitment to the community, and passion for helping others will be very valuable contributions to the State Council on Developmental Disabilities.

CAROL YOUNG

Your Committee received testimony in support of the nomination for the appointment and reappointment of Carol Young from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, and Disability and Communication Access Board.

Ms. Young has many years of experience working with individuals with disabilities, particularly in the areas of vocational rehabilitation and the transition to employment, and she strives to improve services and interagency collaboration that promote improved self-determination for people with disabilities. Ms. Young is currently employed as an advocate at the Hawaii Disability Rights Center, and she previously worked at the University of Hawaii Center on Disability Studies and the Department of Human

Services Vocational Rehabilitation and Services for the Blind Division. Your Committee notes that Ms. Young has an established history of community involvement, including serving as past chair of the State Council on Mental Health and past member of the Special Education Advisory Council. Ms. Young is also fluent in American Sign Language and has recently collaborated with the Disability and Communication Access Board to develop tools for the Honolulu Police Department on effective communication with persons who are deaf or hard of hearing. Your Committee finds that Ms. Young's knowledge, background, and commitment to public service will be assets to the State Council on Developmental Disabilities.

RENEE MANFREDI

Your Committee received testimony in support of the nomination of Renee Manfredi from the State Council on Developmental Disabilities, Hawaii Self-Advocacy Advisory Council, Special Olympics Hawaii, and nine individuals.

Ms. Manfredi is making numerous contributions to her community to ensure that individuals with developmental disabilities receive the compassion and respect they deserve to have a good quality of life. As someone with a developmental disability, Ms. Manfredi motivates others with disabilities to speak up for themselves by sharing her experiences through public speaking as a Toastmaster and Global Messenger with the Hawaii Special Olympics. Ms. Manfredi is currently a member of the No Wrong Door Advisory Committee that is working on a statewide initiative to improve access to long term services and supports for individuals with disabilities and chronic conditions. Your Committee notes that Ms. Manfredi demonstrates leadership in many areas, including her current role as president of the Hawaii Self-Advocacy Advisory Council, through which she represented the Council at the recent 17th annual Day at the Capitol event. Your Committee finds that Ms. Manfredi's background, advocacy experience, and desire to serve her community will be strong contributions to the State Council on Developmental Disabilities.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1323 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 595 and 596

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 595 ARWYN JACKSON, for a term to expire 06-30-2020; and

G.M. No. 596 KATHRYN BOYER, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Arwyn Jackson and Kathryn Boyer to possess the requisite qualifications to be nominated to the State Council on Mental Health.

ARWYN JACKSON

Your Committee received testimony in support of the nomination of Arwyn Jackson from the Department of Health and two individuals.

Ms. Jackson is currently the Director of the House Minority Research Office for the Hawaii House of Representatives and has years of experience managing political campaigns. Your Committee notes that Ms. Jackson has extensive personal and professional experience with mental health professionals and social justice issues involving emotional and social trauma. Specifically, Ms. Jackson has worked with survivors of severe trauma in the field of human trafficking, the homeless population, and individuals struggling with mental illness. In her personal statement, Ms. Jackson indicated that she hopes to encourage consumers to effectively utilize mental health services and advocate for best practices in diagnosis, medication, and treatment. Ms. Jackson also hopes to help the Council's website become operational. Your Committee finds that Ms. Jackson's knowledge about human trafficking, professional experiences, and passion for supporting mental health services will be great assets to the State Council on Mental Health.

KATHRYN BOYER

Your Committee received testimony in support of the nomination of Kathryn Boyer from the Department of Health, Department of Human Services, and one individual.

Ms. Boyer is employed by the Child Welfare Services Branch of the Department of Human Services as the Assistant Program Administrator for Program Development. With over ten years of experience working with adults, children, and families experiencing behavioral health issues, Ms. Boyer is extremely knowledgeable in assisting adults with co-occurring disorders as well as children and families in crisis. Currently, Ms. Boyer's focus on the well-being of children in foster care is also directly impacted by the effects of mental health disorders and substance abuse. In her personal statement, Ms. Boyer indicated that she values coordination and collaboration as a powerful way to protect consumers, and she hopes to participate in cross-system collaboration for the betterment of Hawaii's behavioral health system. Your Committee finds that Ms. Boyer's background, experience working with at-risk populations, and expertise in the field of behavioral health will be great assets to the State Council on Mental Health.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1324 Commerce, Consumer Protection, and Health on Gov. Msg. No. 648

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUAI SUBAREA

G.M. No. 648 TITO VILLANUEVA, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Tito Villanueva to possess the requisite qualifications to be nominated for reappointment to the Health Planning Council, Kauai Subarea.

Your Committee received testimony in support of the nomination for reappointment of Tito Villanueva from the State Health Planning and Development Agency and three individuals.

Mr. Villanueva has been an Emergency Medical Technician with American Medical Response and a part-time Fire Fighter for over twenty years, and is also American Medical Response's Operations Manager for the County of Kauai. Prior to his career in emergency medical services, Mr. Villanueva was a Corpsman and Lead Petty Office Field Medic with the United States Navy. Your Committee notes that Mr. Villanueva possesses numerous emergency medicine certifications and is dedicated to improving the quality and safety of healthcare in his community. As a longtime resident of Kauai, Mr. Villanueva has demonstrated significant dedication to public service as evidenced by his involvement with community groups, including the Kauai Filipino Chamber of Commerce, Kauai Filipino-American Jaycees, Kauai Region Hawaii Health Systems Corporation, and the Kauai Trauma Committee. Mr. Villanueva has served as a member of the Health Planning Council, Kauai Subarea since 2013 and has a thorough understanding of the role and responsibilities of council members. Your Committee finds that Mr. Villanueva's background, knowledge, and strong commitment to serving the community are great assets to the Council.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1325 Commerce, Consumer Protection, and Health on Gov. Msg. No. 652

Recommending that the Senate advise and consent to the nomination of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 652 DONALD WOOD, for a term to expire 06-30-2021

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 for reappointment to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination for reappointment of Donald Wood from the Department of Health.

Your Committee finds that Mr. Wood has extensive experience as a radiologic technologist, with over thirty-four years of experience as a Certified Radiologic Technologist credentialed by the American Registry of Radiologic Technologists. Prior to retirement, Mr. Wood worked as the Manager of Hawaii Medical Center West. Mr. Wood has obtained numerous years of experience as Director of Imaging for two separate medical organizations, as well as valuable experience in radiology product manufacture design. In his personal statement, Mr. Wood indicated that he hopes to use his experience and technical knowledge to sustain and support the State in implementing best practice standards in the medical field. Your Committee notes that Mr. Wood has served as a member of the Radiological Technology Board since 2012 and has a thorough understanding of the role and responsibilities of board members. Your Committee finds that Mr. Wood's professional experience, technical knowledge, and management credentials are great assets to the Board.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1326 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 657 and 658

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

G.M. No. 657 KEVIN BARDSLEY-MARCIAL, for a term to expire 06-30-2020; and

G.M. No. 658 KIMBERLY ARAKAKI, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kevin Bardsley-Marcial and Kimberly Arakaki to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

KEVIN BARDSLEY-MARCIAL

Your Committee received testimony in support of the nomination of Kevin Bardsley-Marcial from the State Council on Developmental Disabilities and two individuals.

Mr. Bardsley-Marcial has been working with individuals with disabilities since 2002 and has experience as a direct support worker, supervisor, and manager. Mr. Bardsley-Marcial is currently the Manager of Performance Improvement at BAYADA Behavioral Health and Habilitation, an organization that provides personal assistance and habilitation services to individuals with developmental disabilities through the Medicaid Home and Community-Based Services Waiver Program. Your Committee notes that Mr. Bardsley-Marcial serves in leadership roles at BAYADA by serving as designated clinical lead for service supervisors for the Medicaid Waiver Program as well as serving as BAYADA's representative with various community groups. In his personal statement, Mr. Bardsley-Marcial indicated that he hopes to promote evidence-based interventions, help view systems through an organizational behavior management perspective, and expand employment supports for participants of the Home-Based Community Services Waiver Program. Your Committee finds that Mr. Bardsley-Marcial's background, knowledge, and commitment to improving the lives of individuals with disabilities will be assets to the State Council on Developmental Disabilities.

KIMBERLY ARAKAKI

Your Committee received testimony in support of the nomination of Kimberly Arakaki from the State Council on Developmental Disabilities, Department of Health, and one individual.

Ms. Arakaki currently is employed as the Maternal and Child Health Public Health Manager and Branch Chief at the Department of Health in which she provides leadership to assure healthy outcomes for women, children, and families in Hawaii. Your Committee notes that Ms. Arakaki has over thirty years of experience supporting individuals with developmental disabilities as a relief worker, instructor, employment coach, case manager, and training supervisor, and she previously worked as an administrator for the Developmental Disabilities Division of the Department of Health, where she was responsible for case management services statewide for individuals with developmental disabilities. Ms. Arakaki has valuable experience helping to develop state policies and legislation that emphasize self-determination and person centered planning and supports for individuals with developmental disabilities. In her personal statement, Ms. Arakaki indicated that she hopes to encourage individuals to engage in non-paid community supports so that their lifestyles are not impacted significantly should government funding change. Your Committee finds that Ms. Arakaki's experience, breadth of knowledge, and dedication to serving the community will benefit the State Council on Developmental Disabilities.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1327 Ways and Means on H.B. No. 889

The purpose and intent of this measure is to increase from \$250,000 to \$1,000,000 the amount of funds that may remain in the pesticide use revolving fund at the close of each fiscal year.

Your Committee received written comments in support of this measure from the Department of Agriculture, Chamber of Commerce Hawaii, Hawaii Farm Bureau, Land Use Research Foundation of Hawaii, Hawaii Crop Improvement Association, and one individual.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that increasing from \$250,000 to \$1,000,000 the amount of funds that may remain in the pesticide use revolving fund at the close of each fiscal year will increase the ability of the Department of Agriculture to conduct pesticide training and outreach to ensure that pesticides are not misused, assist in the disposal of pesticides and pesticide containers, and supplement environmental studies by performing activities such as groundwater reviews and water sampling.

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. 889, 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. 889, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Galuteria, Harimoto, Taniguchi).

SCRep. 1328 Ways and Means on H.B. No. 110

The purpose and intent of this measure is to appropriate funds for public employment costs and other cost adjustments for employees of the House of Representatives, Senate, and legislative service agencies.

Your Committee received written comments in support of this measure from the Hawaii State Ethics Commission and the Office of the Ombudsman. The Legislative Reference Bureau submitted written comments on the measure.

Your Committee finds that this measure should be allowed to continue through the legislative process so that it may provide a legislative vehicle to appropriate sufficient funds should the Legislature determine prior to the end of the 2017 Regular Session that public employment cost items and cost adjustments are warranted.

Your Committee has amended this measure by making technical nonsubstantive changes 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. 110, 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. 110, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1329 Ways and Means on H.B. No. 592

The purpose and intent of this measure is to extend the sunset date of the alternative energy research and development pilot program to June 30, 2019, and to appropriate moneys for the pilot program.

Your Committee received written comments in support of this measure from the High Technology Development Corporation; Makai Ocean Engineering, Inc.; Oceanit Laboratories, Inc.; Chamber of Commerce Hawaii; Navatek; and six individuals.

Your Committee finds that the alternative energy research and development pilot program was established in 2015 to provide grants to qualified businesses conducting alternative energy research and development. The pilot program has proven to be successful, as three companies that were granted moneys through the pilot program went on to receive \$11,300,000 in federal funding for alternative energy projects. Your Committee believes that extending the pilot program will create and sustain high-paying, high-skilled local jobs, and move the State closer toward its one hundred percent renewable energy goals.

Your Committee has amended this measure by making a technical nonsubstantive change to correct a section numbering error.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 592, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 592, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1330 Ways and Means on H.B. No. 1114

The purpose and intent of this measure is to achieve compliance with the federal Occupational Safety and Health Administration (OSHA) requirement that state-level standards and enforcement be at least as effective as OSHA standards and enforcement.

More specifically, this measure:

- (1) Increases the monetary penalties for violations of the Hawaii Occupational Safety and Health Law or any standard or rule adopted thereunder; and
- (2) Requires the Director of Labor and Industrial Relations to:
 - (A) Adjust the penalties each year as required by federal law; and
 - (B) Report to the Legislature annually on the penalty adjustments.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the International Longshore and Warehouse Union Local 142.

Written comments in opposition were received from the Hawaii Business League and two individuals.

The General Contractors Association of Hawaii submitted written comments on the measure.

Your Committee finds that compliance with federal OSHA requirements will help to ensure federal funding of the Hawaii Occupational Safety and Health Division, which amounted to \$1,937,700 in fiscal year 2016-2017. Your Committee also finds that monetary penalties for violations of the Hawaii Occupational Safety and Health Law have remained stagnant since the Federal Civil Penalties Inflation Adjustment Act of 1990, which directed agencies to adjust civil monetary penalties for inflation but exempted OSHA. However, under the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, which does apply to OSHA, monetary penalties must be increased, then adjusted annually for inflation. Passage of this measure will bring the State into compliance with this federal mandate.

Your Committee has amended this measure by:

- (1) Clarifying that wilful or repeat violations shall be punishable by a civil penalty of not more than \$124,709 for each violation, with a minimum penalty of \$8,908 for each wilful violation;
- (2) Inserting a savings clause; and
- (3) Correcting a capitalization error.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1114, 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. 1114, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1331 Ways and Means on H.B. No. 168

The purpose and intent of this measure is to honor the legacy of the veterans of the State who have served in recent conflicts in the Persian Gulf, Iraq, Afghanistan, and the various conflicts of the Global War on Terrorism.

Specifically, this measure appropriates funds for the planning and design of a memorial to honor service members of these conflicts, to be located at the Hawaii State Veterans Cemetery in Kaneohe on the Island of Oahu, with replicas of the memorial to be located at state veterans cemeteries statewide.

Your Committee received written comments in support of this measure from the State Foundation on Culture and the Arts and the State Office of Veterans' Services.

Your Committee recognizes the importance of honoring service members from the State who have dutifully served to protect the freedom and liberties of their fellow citizens. Your Committee notes that the task force convened by the Office of Veterans' Services in response to Act 138, Session Laws of Hawaii 2013, recommended that a memorial be dedicated at Hawaii State Veterans Cemetery in Kaneohe, Oahu, to honor service members who served in the Persian Gulf, Iraq, Afghanistan, and the various theaters of the Global War on Terrorism. The task force further recommended that replicas of this memorial be located at state veterans cemeteries statewide. This measure appropriates funds to begin implementing the task force's plan.

Your Committee has amended this measure by changing its 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. 168, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 168, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1332 Ways and Means on H.B. No. 533

The purpose and intent of this measure is to provide funding to the State Public Charter School Commission for the acquisition, repair, maintenance, and rental of charter school facilities.

Your Committee received written comments in support of this measure from the State Public Charter School Commission; Office of Hawaiian Affairs; Kamalani Academy; IMUAlliance; The Maritime Group, LLC; Hawaii State Teachers Association; Goodwill Hawaii; Native Hawaiian Education Council; Kua O Ka La Public Charter School; Hawaii Academy of Arts & Science Public Charter School; Hawaii Public Charter Schools Network; Kamehameha Schools; Hawaii Children's Action Network; National Alliance for Public Charter Schools; and over fifty concerned individuals.

Your Committee received written comments on this measure from one concerned individual.

Your Committee has amended this measure by changing the effective date to July 1, 2060.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 533, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 533, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1333 Ways and Means on H.B. No. 587

The purpose and intent of this measure is to appropriate funds to the Department of Business, Economic Development, and Tourism to provide additional resources for the Small Business Regulatory Review Board.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; Chamber of Commerce Hawaii; Hawaii Farm Bureau; Maui Chamber of Commerce; and one individual.

Your Committee finds that the Small Business Regulatory Review Board plays a critical role by providing small business a voice within government during the rulemaking process. Your Committee further finds that this program supports Hawaii's economy by addressing a range of small business concerns.

Your Committee has amended this measure by changing the effective date to July 1, 2060, 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. 587, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 587, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1334 Ways and Means on H.B. No. 1246

The purpose and intent of this measure is to authorize the Department of Public Safety to use electronic monitoring and surveillance as a standalone alternative to incarceration.

Your Committee received written comments in support of this measure from Ho'omana Pono, LLC.

Your Committee received written comments in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee received written comments on this measure from the Department of Public Safety and Office of Hawaiian Affairs.

Your Committee finds that authorizing the Department of Public Safety to use electronic monitoring and surveillance of individuals as an alternative to incarceration will provide an additional option to help alleviate prison overcrowding while addressing the need for public safety.

Your Committee has amended this measure by changing the effective date to July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1246, 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. 1246, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1335 Ways and Means on H.B. No. 1420

The purpose and intent of this measure is to appropriate funds to the Office of Veterans Services for the provision of burial grants for Filipino-American veterans of World War II.

Your Committee received written comments in support of this measure from the Office of Veterans Services, Hawaii Civil Rights Commission, and two individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that assisting Filipino-American veterans of World War II still living in the State with prospective funeral and burial costs, including the cost of returning their remains to the Philippines if they so desire, would demonstrate the State's appreciation and proper respect for their service. Your Committee further finds that burial grants for Filipino-American veterans are statutorily established under Chapter 363, Hawaii Revised Statutes, but that funding for the provision of these grants has been non-existent.

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. 1420, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1420, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1336 (Joint) Water and Land and Agriculture and Environment and Public Safety, Intergovernmental, and Military Affairs on H.B. No. 1509

The purpose and intent of this measure is to require the State to consider storm water management in the development of the Hawaii Water Resource Protection Plan.

Your Committees received testimony in support of this measure from the Land Use Research Foundation of Hawaii and one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that including storm water management in the Hawaii Water Resource Protection Plan provides an opportunity to meet Hawaii's water needs and prepare for the negative impacts of extreme weather conditions. Your Committees note that storm water capture, reuse, and reclamation contribute to augmenting and conserving Hawaii's fresh water supplies. Your Committees further note that storm water remediation plans will help to mitigate the damaging effects on Hawaii's agricultural operations from storms, flooding, and drought conditions. Your Committees conclude that including storm water management in the Hawaii Water Resource Protection Plan will strengthen and improve the existing plan.

As affirmed by the records of votes of the members of your Committees on Water and Land, Agriculture 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. 1509, 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, 1 (Kim).
Agriculture and Environment: Ayes, 3. Noes, none. Excused, 2 (Riviere, Ruderman).
Public Safety, Intergovernmental, and Military Affairs: Ayes, 3. Noes, none. Excused, 2 (Baker, Ihara).

SCRep. 1337 Ways and Means on H.B. No. 1322

The purpose and intent of this measure is to require the State Procurement Office, in conjunction with the Department of Education, University of Hawaii, Department of Transportation, and the Department of Accounting and General Services, to conduct a comprehensive analysis and review of the Hawaii Public Procurement Code, with particular regard to construction contracting.

Your Committee received testimony in support of this measure from the Department of Education, Department of Transportation, State Procurement Office, University of Hawaii, General Contractors Association of Hawaii, and one individual.

Your Committee received testimony in opposition to this measure from the Subcontractors Association of Hawaii.

Your Committee received comments on this measure from the Department of Accounting and General Services and the American Council of Engineering Companies, Hawaii.

Your Committee finds that the State will benefit from the following: an analysis and review of the Hawaii public procurement code, with particular emphasis on issues and concerns that were raised in the final report of the task force that was established by the Comptroller; state statutes pertaining to the awarding of construction, architectural, and engineering contracts; and a comparison of state statutes with applicable federal procurement laws and regulations.

Your Committee notes that the State Procurement Office has estimated that the cost of the analysis and review will be \$500,000.

Your Committee has amended this measure by clarifying that the task force referenced in the measure was established by the Comptroller pursuant to Senate Concurrent Resolution No. 92, Senate Draft 2, of the Regular Session of 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 H.B. No. 1322, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1322, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1338 Ways and Means on H.B. No. 209

The purpose and intent of this measure is to amend the State’s income tax law.

More specifically, this measure:

- (1) Expands the income tax credit for low-income household renters, based on adjusted gross income and filing status;
- (2) Establishes a state earned income tax credit equal to twenty percent of the federal earned income tax credit authorized under the Internal Revenue Code;
- (3) Restores the income tax rates for high income brackets that were repealed on December 31, 2015; and
- (4) Removes the sunset date for amendments made to the refundable food/excise tax credit by Act 223, Session Laws of Hawaii 2015.

The Hawaii State Commission on the Status of Women; League of Women Voters of Hawaii; Early Childhood Action Strategy; We Are One, Inc.; Community Alliance on Prisons; Young Progressives Demanding Action; PHOCUSED (Protecting Hawaii’s Ohana, Children, Under Served, Elderly and Disabled); Hawaii Appleseed Center for Law and Economic Justice; IMUAlliance; Hawaii Children’s Action Network; Progressive Democrats of Hawaii; Hawaiian Community Assets; HACBED (Hawaii Alliance for Community-Based Economic Development); Parents And Children Together; LGBT Caucus of the Democratic Party of Hawaii; Hawaii State Democratic Women’s Caucus; Graduate Student Organization, University of Hawaii at Manoa; Common Cause Hawaii; YWCA Oahu; Catholic Charities Hawaii; CHOW Project; Americans for Democratic Action Hawaii; Hawaii Alliance for Progressive Action; Hawaii Women’s Coalition; and eighty-seven individuals submitted testimony in support of this measure.

The Department of Taxation; Tax Foundation of Hawaii; Chamber of Commerce Hawaii; and Hawaii Association of REALTORS submitted comments on this measure.

Your Committee finds that Act 223, Session Laws of Hawaii 2015, temporarily increased the amount of the refundable food/excise tax credit. According to the Department of Taxation, making this increase permanent is expected to result in an annual revenue loss to the general fund of \$6,500,000.

Your Committee also finds that establishing a refundable state earned income tax credit, set at ten or twenty percent of the amount of the federal earned income tax credit, is expected to result in the following revenue loss to the general fund:

<u>Fiscal Year</u>	<u>10%</u>	<u>20%</u>
2018	\$24,500,000	\$49,000,000
2019	\$25,100,000	\$50,200,000
2020	\$25,700,000	\$51,500,000
2021	\$26,400,000	\$52,800,000
2022	\$27,000,000	\$54,100,000
2023	\$27,700,000	\$55,500,000

On the other hand, establishing a nonrefundable state earned income tax credit is expected to result in the following revenue loss:

<u>Fiscal Year</u>	<u>10%</u>	<u>20%</u>
2018	\$6,400,000	\$12,700,000
2019	\$8,300,000	\$16,700,000
2020	\$10,200,000	\$20,400,000
2021	\$11,900,000	\$23,800,000
2022	\$13,500,000	\$27,100,000
2023	\$15,000,000	\$30,100,000

Your Committee finds that the state income tax law may be made more progressive by not only reinstating higher income tax rates on high-income taxpayers, but also lowering the rates on the lowest income taxpayers. Your Committee supports such a restructuring of the income tax rates that is revenue neutral.

Your Committee has amended this measure by deleting its contents and inserting the provisions of Senate Bill No. 648, S.D. 1, a similar measure, and making further amendments, which cumulatively have the effect of amending the measure by:

- (1) Deleting the provisions regarding the income tax credit for low-income household renters;
- (2) Changing the amount of the state earned income tax credit to an unspecified percentage of the federal earned income tax credit;
- (3) Reducing income tax rates for lower income brackets and increasing income tax rates for the highest income brackets. Your Committee intends that this restructuring of the rates result in revenue neutrality;
- (4) Clarifying the taxable years to which the new income tax rates established by this measure shall apply;
- (5) Inserting appropriations of \$250,000 for each year of the 2017-2019 fiscal biennium to fund certain Department of Taxation tax preparation assistance outreach programs, as a means of expanding community participation in such programs and reducing tax preparation errors;
- (6) Changing the effective date to July 1, 2050, to promote further discussion on the measure; and
- (7) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

Your Committee notes that the income tax rates that appear in this measure, as amended by your Committee, have been updated from those in S.B. No. 648, S.D. 1, based on the suggestions of the Department of Taxation. The intent of the updated rates is to smooth out the effects of the tax rate changes. Your Committee considers those rates a work in progress that shall be subject to further review as this measure moves through the deliberations of the Conference 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 H.B. No. 209, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 209, 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, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1339 Commerce, Consumer Protection, and Health on H.B. No. 832

The purpose and intent of this measure is to:

- (1) Require association members who are not on a condominium board to be allowed to participate in any deliberation or discussion, including executive sessions with approval by a majority vote of the condominium board members, subject to certain limitations; and
- (2) Allow condominium board members to limit the time provided to any member of the condominium association to participate in deliberations to a reasonable time, pursuant to board rules.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners, Associa, Hui 'Oia'i'o, and nine individuals. Your Committee received testimony in opposition to this measure from the Hawai'i State Association of Parliamentarians.

Your Committee finds that condominium owners provide valuable information and input during board meetings for a condominium association. This measure therefore provides members of a condominium association an opportunity to attend and participate in all meetings of the board of directors of their association of apartment owners, including executive sessions with board approval. However, this measure, as written, may affect the ability of boards to conduct board meetings in an efficient manner.

Your Committee notes that unit owners have a right to speak and participate in any deliberation or discussion of a board. However, this participation must be balanced with the board's need to complete its agenda in a timely manner. Enabling a board to establish owner participation rules, and requiring the board to notify owners of such rules, will foster participation while ensuring board meetings can be conducted in an efficient manner. Your Committee further finds that although many boards provide an agenda at board meetings, providing this information in advance, and shortening the time frame under which unapproved final drafts of meetings are made available, will encourage participation and communication between owners and their boards. Amendments to this measure are therefore needed to address these issues.

Your Committee also notes that boards of directors should be responsible for a decision to comply with certain mandatory provisions of the State's condominium laws. An amendment to this measure is therefore necessary to clarify that compliance with specific mandatory provisions of the condominium laws is part of the fiduciary duty a board of directors owes to its association.

Finally, your Committee notes that some concerns have been raised regarding permitting boards to establish rules governing owner participation at board meetings, and whether this could lead to a situation where some owners were considered favored members of an association, to the detriment of other owners. Your Committee appreciates these concerns and believes further discussion on this issue may be warranted as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Clarifying that a violation of specific provisions of the State's condominium law by a condominium board of directors or its officers or members is a violation of the board's fiduciary duty, but providing a safe harbor provision for a board member who votes for compliance or rescinds or withdraws the violating conduct;
- (2) Clarifying that a board is permitted to establish rules for owner participation in any deliberation or discussion at board meetings, other than executive sessions, and specifying that notice must be provided to owners regarding these rules;

- (3) Clarifying that a board, by majority vote, may adjourn a meeting and reconvene in executive session;
- (4) Requiring the notice for board meetings to include a list of items expected to be on the meeting agenda;
- (5) Requiring unapproved final drafts of the minutes of a board meeting to be available within fourteen days after the meeting;
- (6) Removing language that would have permitted a board, by majority vote, to allow members of the association to attend executive sessions to present personal information;
- (7) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 832, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 832, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1340 Commerce, Consumer Protection, and Health on H.B. No. 1498

The purpose and intent of this measure is to require a copy of any contract between a condominium association and the general manager or resident manager to be made available to any unit owner, and permits certain personal information to be redacted from the contract copy.

Your Committee received testimony in support of this measure from Hui 'Oia'i'o, Associa, Hawaii Council of Associations of Apartment Owners, and two individuals. Your Committee received comments on this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and one individual.

Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 retained the contents of this measure and also inserted provisions that:

- (1) Clarify that in cases where the removal or replacement of a director elected by a class of unit owners is authorized, such removal or replacement may be by a majority of only the members of that class;
- (2) Specify that, for an election in a mixed-use condominium project where directors are elected by different classes of owners, an association may cast the vote or votes allocated to any nonresidential unit owned by the association where those eligible to vote in the election are limited to owners of one or more nonresidential units, including the nonresidential unit owned by the association; and
- (3) Clarify the procedures to amend condominium association declarations, bylaws, and other governing instruments that are not of a material adverse nature to condominium owners or do not imperil the viability or stability of the condominium association.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Council of Associations of Apartment Owners, Hui Malama O Hale, and four individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from Hui 'Oia'i'o and thirteen individuals. Your Committee received comments on the proposed S.D. 1 from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Hawai'i Association of Parliamentarians, Associa, and three individuals.

Your Committee finds that the proposed S.D. 1 requires copies of contracts between a condominium association and its resident manager or general manager to be disclosed to a unit owner, with the exception of certain personal information. According to testimony received by your Committee, many concerns raised by condominium owners often involve the owners' inability to obtain information from their condominium boards regarding job descriptions, duties, and compensation of general managers, resident managers, and other persons retained as employees to manage the on-site operation of a condominium. The proposed S.D. 1 will therefore eliminate any ambiguity in the existing law regarding whether condominium owners are entitled to access this information.

Your Committee further finds that existing condominium law permits different classes of directors in mixed-use projects. Existing law also provides for the removal of directors by a majority of the unit owners. The proposed S.D. 1 clarifies that the removal or replacement of a director elected by a class of unit owners shall only be by a majority of the members of that class. Your Committee notes that the proposed S.D. 1 does not give a condominium board a weighted vote to remove directors, but simply provides that if a director is elected by a class of unit owners, then the director may be removed or replaced only by a vote of a majority of the common interest represented by that class. Your Committee additionally finds that the proposed S.D. 1 also makes an exception for votes cast for nonresidential units owned by an association to ensure that elections may be held and directors may be elected. This is a very narrow exception and has no effect on directors elected by owners of residential units; rather, this exception simply allows a condominium association, through its board, to cast the vote allocated to a nonresidential unit owned by the association in elections where the only persons eligible to vote are owners of nonresidential units and the association owns one or more of those nonresidential units.

Your Committee also finds that clarification is needed in the existing condominium law regarding who can serve as a board member of a condominium association. Your Committee notes that tenants and owners within a condominium often have different interests. Because tenants are not members of a condominium association, they are not directly subject to the monthly maintenance fees and are not contributing to the upkeep of the property. Furthermore, since tenants are not members of an association, it is not appropriate for tenants to be members of a condominium association board, and thus able to set policy and rules for owners and make decisions regarding how association money is spent. Accordingly, an amendment to the proposed S.D. 1 is needed to address this issue.

Finally, your Committee has heard the testimony expressing concern over language in the proposed S.D. 1 that would change the process for a condominium board to amend its declaration and bylaws. Your Committee notes that a condominium's declarations and bylaws are the core governing documents for a condominium association and the proposed S.D. 1 could potentially enable a rogue condominium board to more easily amend its declarations or bylaws, to the detriment of other members of the association. Amendments to the proposed S.D. 1 to remove this language are therefore needed.

Your Committee has amended this measure by adopting the proposed S.D. 1 and by making further amendments which:

- (1) Clarify that condominium owners are permitted to receive a copy of any contract, written job description, and compensation between a condominium association and any person or entity retained by the association to manage on-site the operation of the property, including but not limited to the general manager, operations manager, resident manager, or site manager, but excluding certain personal information;
- (2) Specify that tenants are prohibited from serving as board members of a condominium association;
- (3) Remove language that would have updated the procedures to amend condominium association declarations, bylaws, and other governing instruments that were not of a material adverse nature to condominium owners or did not imperil the viability or stability of the condominium association; and
- (4) 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1498, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1498, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1341 Ways and Means on H.B. No. 997

The purpose and intent of this measure is to permanently authorize the Department of Transportation to pursue and enter into concession contracts and other arrangements by negotiation.

Your Committee received written comments in support of this measure from the Department of Transportation Airports Division and the Stadium Authority.

Your Committee finds that Hawaii's airports are often the first and last impression that visitors have of the State. Imparting a positive impression of Hawaii is important for the State's tourism based economy as visitors with a positive impression are more likely to return for future visits and recommend Hawaii to others as a travel destination. Currently, airport concession contracts are awarded to the highest bidder without consideration of the quality or variety of service to be provided. Authorizing the Department of Transportation to enter into and award airport concession contracts through negotiation rather than simply to the highest bidder will result in higher quality services at state airports, which in turn will provide visitors with better first and last impressions of Hawaii.

Your Committee has amended this measure by:

- (1) Repealing and reinstating language that exempts airport operation of concessions from the public bidding process, to ensure that this exemption is not repealed on June 30, 2021, pursuant to section 4 of Act 141, Session Laws of Hawaii 2014; and
- (2) Making a technical nonsubstantive change 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 H.B. No. 997, 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. 997, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1342 Ways and Means on H.B. No. 1152

The purpose and intent of this measure is to authorize the Governor to make supplemental allotments from the project adjustment fund for airport division capital improvement projects that are currently authorized.

Your Committee received written comments in support of this measure from the Department of Transportation.

Your Committee finds that the Supplemental Appropriations Act of 2016 established the project adjustment fund. However, the Act did not establish a corresponding budget proviso to permit the Department of Transportation, Airports Division, to utilize the fund. This measure adds the language necessary to authorize the Governor to make allotments for airport capital improvement projects that require supplemental funding.

Your Committee has amended this measure by clarifying that the project adjustment funds may only be used for Department of Transportation, Airports Division, 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 H.B. No. 1152, 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. 1152, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1343 (Joint) Commerce, Consumer Protection, and Health and Judiciary and Labor on H.B. No. 475

The purpose and intent of this measure is to remove the sunset date of Act 39, Session Laws of Hawaii 2015 (Act 39), thereby making permanent the requirements for a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State to provide open movie captioning during at least two showings per week of each motion picture that is produced and offered with open movie captioning and audio descriptions upon request for all motion pictures for which such accommodations are available and provide public notice if such accommodations are not available for certain movies.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development and Tourism; Disability and Communication Access Board; State Council on Developmental Disabilities; Hawai'i Civil Rights Commission; The Georgia E. Morikawa Center; Isle Interpret, LLC; and fourteen individuals.

Your Committees find that Act 39 requires a public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State to provide open movie captioning and audio descriptions upon request. Open movie captioning provides a display of text on the movie screen or via another visual display that provides additional or interpretive information of what is being presented.

Your Committees further find that Act 39 was intended to improve accessibility and address the discriminatory effects of communication barriers at movie theaters encountered by individuals who are deaf, hard of hearing, deaf blind, or blind or have low vision. According to testimony received by your Committees, open movie captioning has enabled deaf, hard of hearing, and deaf blind consumers to enjoy movies in a similar manner as those who do not require open movie captioning.

Your Committees additionally finds that Act 39 is scheduled to be repealed on January 1, 2018. This measure removes the sunset date of Act 39, thus making permanent the motion picture accommodation requirements for Hawaii movie theaters. Your Committees note that the accessibility requirements in Act 39 go beyond those specified in the recently-adopted United States Department of Justice final rules for movie theaters, which only provide for closed captioning. Removing the sunset date of Act 39 therefore ensures that Hawaii continues to support full access for persons with disabilities and meaningful accessibility requirements for movie theaters, even after the federal rules have gone into effect.

Your Committees have amended this measure by:

- (1) Clarifying that a public accommodation that owns, leases, leases to, or operates a motion picture theater in the State may provide a personal closed captioning system for a motion picture that is produced and offered with closed captioning content;
- (2) Inserting an effective date of upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and 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. 475, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 475, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Chang, Ihara, Kidani).

Judiciary and Labor: Ayes, 3. Noes, none. Excused, 2 (Gabbard, Thielen).

SCRep. 1344 Ways and Means on H.B. No. 1006

The purpose and intent of this measure is to appropriate funds to the Hawaii Ant Lab of the Pacific Cooperative Studies Unit of the University of Hawaii to support mitigation of the little fire ant.

More specifically, this measure appropriates funds for:

- (1) Two full-time equivalent (2.0 FTE) operator positions and one full-time equivalent (1.0 FTE) supervisor position;
- (2) A vehicle and operating costs for public outreach and treatment;
- (3) Ant baits;
- (4) Field equipment and personal protective equipment; and
- (5) Computers and printers.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; Department of Agriculture; Hawaii Invasive Species Council; Office of the Mayor, County of Hawaii; Little Fire Ant Hui; Hawaii Farm Bureau; Conservation Council for Hawaii; Coordinating Group on Alien Pest Species; Big Island Invasive Species Committee; and one individual.

Your Committee finds that the little fire ant threatens native biodiversity, alters tropical ecosystems, impairs human health, impedes tourism, diminishes agricultural productivity, damages horticulture sales, and accordingly ranks as among the world's worst invasive species.

Your Committee has amended this measure by:

- (1) Adding an appropriation of an unspecified amount for fiscal year 2018-2019; 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. 1006, 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. 1006, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1345 Ways and Means on H.B. No. 1389

The purpose and intent of this measure is to support, maintain, and prepare for the future of Hawaii's cattle industry by appropriating funds for the planning and design of scalable livestock harvest facilities.

Your Committee received written comments in support of this measure from the Hawaii Department of Agriculture, Mayor of the County of Hawaii, Hawaii Farm Bureau, Hawaii Cattlemen's Council, PonoHolo Ranch Limited, Kuahiwi Ranch Natural Beef, Barbed S Ranch LLC and Poamoho Ranch, Kukaiau Ranch LLC and Hawaii Beef Producers LLC, and two concerned individuals.

Your Committee finds that the cattle industry in Hawaii has a long-standing history and has had to adapt its production practices in response to changing market conditions. Recently, a resurgence in the number of cattle that remain in the State for local consumption has created new challenges for many facilities that are not equipped to handle the increased numbers of cattle to be processed. Your Committee finds that these facilities were built for a set throughput of livestock and require major improvements to remain competitive.

Your Committee has amended this measure by changing the effective date to August 1, 2151, 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. 1389, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1389, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1346 Ways and Means on H.B. No. 1230

The purpose and intent of this measure is to support the State's coffee industry, and diversified agriculture in general, by authorizing the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc., with the expansion of its operations.

Your Committee received written comments in support of this measure from the Department of Agriculture; Hawaii Farm Bureau; Hawaii Coffee Association; Alexander and Baldwin, Inc.; Go Maui, Inc.; Mill House Roasting Co.; MauiGrown Coffee, Inc.; Hawaii Coffee Company; Maui Coffee Roasters; ILWU Local 142; and seven 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 Department of Budget and Finance.

Your Committee finds that the proceeds of the sale of special purpose revenue bonds will be used to assist MauiGrown Coffee, Inc., in expanding the operation of its coffee farm and mill in Puukolii, Maui. Your Committee further finds that the issuance of these special purpose revenue bonds is in the public interest and will benefit the public health, safety, and general welfare.

Your Committee has amended this measure by changing the date regarding the Department of Budget and Finance's authority to issue refunding special purpose revenue bonds to include times after June 30, 2022.

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

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Galuteria, Harimoto, Taniguchi).

SCRep. 1347 Ways and Means on H.B. No. 909

The purpose and intent of this measure is to establish the Center for Commercialization at the University of Hawaii.

Specifically, this measure:

- (1) Establishes the Center for Commercialization to make commercial use of the intellectual property generated by the University of Hawaii;
- (2) Requires the Director of the Center for Commercialization to submit annual reports to the Legislature prior to the regular sessions from 2018 to 2021; and
- (3) Appropriates funds to establish and implement the Center for Commercialization at the University of Hawaii.

Your Committee received written comments in support of this measure from the University of Hawaii, Hawaii Business Roundtable, Hawaii Venture Capital Association, The Chamber of Commerce Hawaii, XLR8UH, Sultan Ventures, and two individuals.

Your Committee finds that over the next decade, the University of Hawaii intends to aggressively commercialize the intellectual property generated by its research. Your Committee further finds that a Center for Commercialization will help achieve the University's commercialization goals by providing leadership in the development of new strategic initiatives and efficiencies for commercialization projects.

Your Committee has amended this measure by making a technical nonsubstantive amendment 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 H.B. No. 909, H.D. 2, 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. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1348 Ways and Means on H.B. No. 1325

The purpose and intent of this measure is to support implementation of the State's biosecurity plan.

More specifically, this measure:

- (1) Requires the Department of Agriculture to establish parameters and construction requirements for biosecurity facilities to ensure the safety of agricultural and food commodities arriving at the State's airports and harbors; and
- (2) Appropriates funds for the Department of Agriculture Biosecurity Program.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Hawaii Invasive Species Council, Local Food Coalition, Friends of Representative Clift Tsuji, Hawaii Floriculture and Nursery Association, Hawai'i Green Growth, Land Use Research Foundation of Hawaii, Hawaii Farm Bureau, Hawaii Crop Improvement Association, and fifteen individuals.

Your Committee received written comments on this measure from the Department of Agriculture.

Your Committee finds that this measure provides broad support for the 2017-2027 Hawaii Interagency Biosecurity Plan for the State of Hawaii (Biosecurity Plan), released in January 2017 by the Department of Agriculture and the Department of Land and Natural Resources. Your Committee further finds that this measure will help address several recommended action items of the Biosecurity Plan, including:

- (1) Item number 34, requiring the adoption of an annual import substitution program for substitute crops by Hawaii farmers to reduce the importation of plant crops that impose a high risk of bringing invasive species into the State; and
- (2) Item number 47, requiring the Department of Agriculture to adopt standards, specifications, and protocols for operation of import facilities to reduce the risk of introduction of invasive species.

Your Committee believes that these steps are necessary to prevent invasive species from entering the State and damaging Hawaii's fragile island ecosystem.

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. 1325, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1325, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Galuteria, Harimoto, Kahele, Taniguchi).

SCRep. 1349 Ways and Means on H.B. No. 186

The purpose and intent of this measure is to support ongoing efforts to control the coffee berry borer infestation in Hawaii's coffee crops.

More specifically, this measure appropriates funds for, and extends by two years the sunset date of, the pesticide subsidy program established under Act 105, Session Laws of Hawaii 2014.

Your Committee received written comments in support of this measure from the Department of Agriculture; Hawaii Invasive Species Council; Office of the Mayor, County of Hawaii; Hawaii Coffee Company, Mr. Bean Kona Coffee; Hawaii Coffee Association; Hawaii Farm Bureau; ILWU Local 142; and eleven individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that Act 105, Session Laws of Hawaii 2014, appropriated funds for the development and implementation of a pesticide subsidy program to assist coffee growers with offsetting the cost of purchasing pesticides containing *Beauveria bassiana*. Your Committee notes that it took longer than anticipated for Act 105 to be implemented, and thus the assistance only became available from the State at the end of 2016, more than two years later than anticipated. Your Committee finds that it is necessary to extend the sunset date of the pesticide subsidy program for two years to ensure the program remains available to assist coffee growers, and can remain in effect for the number of years that was intended by Act 105.

Your Committee has amended this measure to accurately reflect the existing punctuation in the printed version of Act 105, Session Laws of Hawaii 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. 186, 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. 186, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Galuteria, Harimoto, Taniguchi).

SCRep. 1350 Ways and Means on H.B. No. 936

The purpose and intent of this measure is to ensure a fair allocation of funds between public schools established and maintained by the Department of Education and public charter schools.

Specifically, the measure:

- (1) Prohibits payment of teacher incentive bonuses from a public charter school's facilities funding or per-pupil funds, and requires that beginning with fiscal year 2018-2019, these bonuses be separate line items in the executive budget; and
- (2) Appropriates funds to the State Public Charter School Commission for fiscal year 2017-2018 to pay for teacher incentive bonuses.

Your Committee received written comments in support of this measure from the State Public Charter School Commission, Hawaii Teacher Standards Board, Office of Hawaiian Affairs, Hawaii Public Charter School Network, Hawaii State Teachers Association, and Kamehameha Schools.

The Department of Budget and Finance submitted written comments on the measure.

Your Committee finds that public charter schools pay teacher incentive bonuses from the schools' per-pupil funds, whereas public schools established and maintained by the Department of Education use a designated fund for this purpose.

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. 936, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 936, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1351 Ways and Means on H.B. No. 880

The purpose and intent of this measure is to establish a mark licensing agreement program within the Department of Education that allows the Department and individual department schools to engage in commercial enterprises that provide financial resources for educational activities, provided that the enterprises support the primary educational mission of the school and Department.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that a mark licensing agreement program that allows the licensing of Department of Education and department school marks may provide funding opportunities, such as sponsorships, that exist outside the realm of educational funding to schools. Your Committee notes, however, that if this measure is considered during Conference, it should be clarified whether it is intended that a sponsored performance authorized under the program must be simultaneously "private, cultural, *and* athletic" in nature, or need only be "private, cultural, *or* athletic" in nature.

Your Committee has amended this measure by deleting as unnecessary the word "service" from the title of the proposed new part to chapter 302A, 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. 880, 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. 880, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1352 Ways and Means on H.B. No. 492

The purpose and intent of this measure is to appropriate general funds for a personnel specialist and an educational specialist II position within the Hawaii Teacher Standards Board.

Your Committee received written comments in support of this measure from the University of Hawaii, Hawaii Teacher Standards Board, State Public Charter School Commission, Hawaii State Teachers Association, and five individuals.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated from an unspecified amount to \$183,818; and
- (2) Changing the effective date to July 1, 2060, to facilitate further discussion.

Your Committee notes that funding for these two specialist II positions has also been included in the Senate's draft of the executive budget bill, House Bill No. 100, House Draft 1, Senate Draft 1, the General Appropriations Act.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 492, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 492, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1353 Ways and Means on H.B. No. 1469

The purpose and intent of this measure is to promote the redevelopment of districts that have been identified as being in need of revitalization.

Specifically, this measure:

- (1) Requires the Legislature to designate redevelopment districts in certain land classifications;
- (2) Requires the establishment of a planning committee for each designated redevelopment district;
- (3) Requires the planning committee to prepare a redevelopment plan for the designated district;
- (4) Establishes a process to create a separate revolving fund for each redevelopment district;
- (5) Appropriates an unspecified sum for the purposes of redevelopment districts; and
- (6) Establishes the Waiakea peninsula redevelopment district, planning committee, and revolving fund, to be repealed on June 30, 2027.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Hawaii, HPM Building Supply, Kanoiehua Industrial Area Association, OceanFront 121 Residential Hotel, Hilo Health Cooperative, The Chamber of Commerce Hawaii, Takamine Construction, Inc., BIA-Hawaii, and two individuals.

Your Committee received testimony in opposition to this measure from UNITE HERE, Local 5; Common Cause Hawaii; League of Women Voters of Hawaii; The Outdoor Circle; and nine individuals.

Your Committee received comments on this measure from the Department of Budget and Finance, the Department of Land and Natural Resources, the Department of the Attorney General, the County of Hawaii Planning Department, and one individual.

Your Committee finds that in leases of state lands with a fixed termination date, lessees have little incentive to invest in the property over the last ten to fifteen years of the lease. This results in deteriorating conditions of many properties. Your Committee further finds that designation of redevelopment districts, along with a process to address the needs for investment, will help to revitalize areas by encouraging investment in state-leased properties throughout the term of each lease.

Your Committee has amended this measure by making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee notes the following legal concerns identified in the testimony of the Department of the Attorney General:

- (1) The Board of Land and Natural Resources may not delegate authority to a planning committee pursuant to section 171-E(8), Hawaii Revised Statutes, in light of the limitations of section 26-35(a), Hawaii Revised Statutes;
- (2) The authority given to a planning committee to renew or renegotiate leases may be inconsistent with the establishment of the planning committee as a policy-making committee; and
- (3) The planning committee would have no authority to amend the terms of a lease, despite the language in the measure, without a provision in the measure transferring leases to the planning committee.

Your Committee respectfully requests that if this measure goes to Conference, these issues be considered by the Conference 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 H.B. No. 1469, 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. 1469, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1354 Ways and Means on H.B. No. 90

The purpose and intent of this measure is to preserve access to healthcare for Medicaid recipients and help ensure the stability of the State's long-term care facilities.

Specifically, this measure:

- (1) Extends the nursing facility sustainability program for two years; and
- (2) Appropriates funds out of the nursing facility sustainability program special fund for fiscal years 2017-2018 and 2018-2019.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Chamber of Commerce Hawaii, The Queen's Health Systems, and Hawaii Pacific Health.

Your Committee finds that the State's nursing facilities face major financial challenges in providing quality long-term care for residents of the State, in part because Medicaid payments to nursing facilities are below the actual costs of care. As a result, the Legislature created the nursing facility sustainability program to increase Medicaid payments to nursing facilities. The additional federal funds obtained through this program have helped to reduce the amount of losses incurred by long-term care facilities and maintain access to care for Medicaid recipients. Because the majority of residents in Hawaii's nursing facilities are Medicaid enrollees, your Committee finds that the nursing facility sustainability program helps to ensure that these patients have access to quality care.

Your Committee has amended this measure by:

- (1) Appropriating \$14,000,000 annually out of the nursing facility sustainability program special fund for fiscal years 2017-2018 and 2018-2019;
- (2) Changing the effective date to:
 - (A) July 1, 2017, for section 7 of the measure; and
 - (B) June 29, 2017, for the remainder of the measure; 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 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. 1, 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. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1355 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 1079

The purpose and intent of this measure is to establish a framework for provisionally authorizing post-secondary degree-granting educational institutions that have applied for accreditation by an accrediting agency recognized by the United States Department of Education.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that students will benefit if the Department of Commerce and Consumer Affairs oversees accreditation-seeking institutions and ensures that the institutions make acceptable progress toward accreditation. Your Committees further find that many states across the country already issue some type of temporary authorization or approval to institutions that are in the process of applying for accreditation. Your Committees find that it is also beneficial to allow the Director of Commerce and Consumer Affairs to grant temporary waivers of the accreditation requirement when necessary for good cause and the protection of students facing imminent financial hardship.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1079, H.D. 2, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.
Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ihara).
Ways and Means: Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1356 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 1435

The purpose and intent of this measure is to clarify that the comprehensive loss reduction plan of the Hawaii Hurricane Relief Fund shall include:

- (1) Development and implementation of building code hurricane standards for new residential and commercial structures;
- (2) Development and implementation of hurricane standards for existing residential and commercial structures; and
- (3) Funding to support the adoption of administrative rules to implement hurricane-related building code and design standards.

Your Committees received testimony in support of this measure from the Board of Directors of the Hawaii Hurricane Relief Fund, Hawaii Emergency Management Agency, City and County of Honolulu Department of Emergency Management, Structural Engineers Association of Hawaii, and American Council of Engineering Companies of Hawaii.

Your Committees find that the State Building Code Council was created in 2007. A major responsibility of the State Building Code Council is to establish residential and hurricane resistant standards that are related to the loss mitigation standards required to be developed by the Hawaii Hurricane Relief Fund. However, staff and operating expenses for the State Building Code Council have never been funded, and as a result, the State is currently three iterations behind in updating and adopting the International Building Code, which is updated every three years. When the International Building Code is updated, it incorporates the latest knowledge gained from researchers and engineers around the world who observe the way buildings and structures have failed during actual disaster events, such as hurricanes.

Your Committees additionally find that updated state building codes are critical to save lives, protect infrastructure, and expedite recovery for future disasters. Furthermore, an outdated State Building Code adversely affects the timely receipt of federal disaster aid by the State, since such aid requires the application of the most recent edition of the model building codes. This measure therefore establishes a recurring, systemic process, using the Hawaii Hurricane Relief Fund, to update the hurricane-related standards of the State Building Code through the administrative rules process. Your Committees note that this process will help mitigate future hurricane losses, while also preserving the sustainability of the Hawaii Hurricane Relief Fund and, in turn, the housing and commercial real estate markets in the State.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1435, H.D. 2, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ihara).
Ways and Means: Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1357 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 605

The purpose and intent of this measure is to mitigate the impacts of sewage and wastewater discharge into groundwater sources by prohibiting the installation or use of household aerobic units that discharge directly to groundwater unless approved by the Director of Health.

Your Committees received testimony in support of this measure from the Department of Health and Office of Hawaiian Affairs.

Your Committees find that improved wastewater treatment is one of the most effective ways to reduce nitrogen pollution in surface water. Existing law requires household aerobic units to meet NSF/ANSI Standard 40 certification, which does not address nitrogen reduction in the treated effluent. Your Committees note that excess nitrogen can result in ecological imbalances that threaten aquatic environments and negative health impacts to humans and animals that consume nitrogen-contaminated water.

Your Committees further find that NSF/ANSI Standard 245 includes performance measures that reduce the amount of nitrogen discharged into surface waters by at least fifty percent in some watersheds. Your Committees recognize that requiring household aerobic units to meet NSF/ANSI Standard 245 certification could help meet the growing demand for nutrient reduction in coastal areas and sensitive environments.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 605, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).
Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Wakai).

SCRep. 1358 Commerce, Consumer Protection, and Health on Gov. Msg. No. 571

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF NATUROPATHIC MEDICINE

G.M. No. 571 DAVID KERN, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds David Kern to possess the requisite qualifications to be nominated to the Board of Naturopathic Medicine.

Your Committee received testimony in support of the nomination of David Kern from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Kern's background, knowledge, and prior experience on the Board of Naturopathic Medicine qualify him to be nominated for appointment to the Board of Naturopathic Medicine as a licensee member. Your Committee notes that Dr. Kern has been licensed in Hawaii since 1985 and is the founder and Medical Director of Grace Health Clinic, Inc., on Maui. Dr. Kern was also the first naturopathic physician in Hawaii admitted to the medical staff of a state hospital, Maui Memorial Medical Center, and was the first doctor of alternative medicine to be awarded the Keola Award by the Maui Memorial Medical Center Foundation, for his contributions to health care in the Maui community. Your Committee further finds that Dr. Kern previously served on the Board of Naturopathic Medicine from 2006 through 2014 and has served as a current interim appointee since October 1, 2016, where his years of experience continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Dr. Kern be nominated for appointment to the Board of Naturopathic Medicine based on his knowledge, experience, and dedication to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1359 Commerce, Consumer Protection, and Health on Gov. Msg. No. 572

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 572 KERRI OKAMURA, for a term to expire 06-30-2020

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 for reappointment to the Board of Pharmacy.

Your Committee received testimony in support of the nomination for the reappointment of Kerri Okamura from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Ms. Okamura's background, experience, and proven leadership on the Board of Pharmacy qualify her to be nominated for reappointment to the Board of Pharmacy as a licensee member representing Hawaii County. Your Committee notes that Ms. Okamura has been a licensed registered pharmacist in Hawaii since 1995 and is the Director

of Pharmacy Operations and Privacy Officer for KTA Super Stores. Ms. Okamura is also an active member of the Hawaii Pharmacists Association and serves as a Preceptor/Affiliate Faculty and on the Dean's Advisory Council for the University of Hawai'i at Hilo, Daniel K. Inouye College of Pharmacy. Your Committee further finds that Ms. Okamura previously served on the Board of Pharmacy from 2013 until June 2016, has served as an interim appointee since July 2016, currently serves as the Board's chair, and represents the Board as an item writer for the North American Pharmacist Licensure Examination and Hawaii's Multistate Jurisprudence Examination. Your Committee therefore recommends that Ms. Okamura be reappointed to the Board of Pharmacy based on her knowledge, background, and commitment to serving the community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1360 Commerce, Consumer Protection, and Health on Gov. Msg. No. 573

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 573 TIVOLI FAAUMU, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Tivoli Faaumtu to possess the requisite qualifications to be nominated to the Board of Private Detectives and Guards.

Your Committee received testimony in support of the nomination of Tivoli Faaumtu from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Police Chief Faaumtu's background and extensive experience qualify him to be nominated for appointment to the Board of Private Detectives and Guards as a chief of police member. Your Committee notes that Police Chief Faaumtu has been with the Maui Police Department for over thirty years, is the Department's current Chief of Police, and is an active, dedicated, and well-respected member of the State's law enforcement community. Police Chief Faaumtu is also a retired veteran of the United States Army Reserve and is active in his community on Maui, including serving as a board member for the Boys & Girls Clubs of Maui and the County of Maui Red Cross Advisory Board. Your Committee further finds that Police Chief Faaumtu has served as an interim member of the Board of Private Detectives and Guards since December 2016 and has a thorough understanding of the role and responsibilities of board members and therefore recommends that Police Chief Faaumtu be appointed to the Board of Private Detectives and Guards based on his knowledge, experience, and dedication to protecting and serving the public.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1361 Commerce, Consumer Protection, and Health on Gov. Msg. No. 574

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 574 JILL OLIVEIRA GRAY, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jill Oliveira Gray to possess the requisite qualifications to be nominated to the Board of Psychology.

Your Committee received testimony in support of the nomination of Jill Oliveira Gray from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Dr. Oliveira Gray's background, experience, and dedication to community service qualify her to be nominated for appointment to the Board of Psychology as a psychologist member. Your Committee notes that Dr. Oliveira Gray has been a licensed clinical psychologist for over fifteen years and is currently the Director of Training for I Ola Lāhui, Inc., Rural Hawai'i Behavioral Health Program. Dr. Oliveira Gray is also active in her professional organizations and her community and has held various leadership positions with the Hawai'i Psychological Association, American Psychological Association, and Alu Like, Inc., a Native Hawaiian community organization. Your Committee further finds that Dr. Oliveira Gray has a thorough understanding of the role and responsibilities of board members by virtue of her prior experience serving as a public member on the Board of Pharmacy and her years of experience working with medically underserved residents in urban and rural areas of Hawaii will be valuable assets to the Board of Psychology. Your Committee therefore recommends that Dr. Oliveira Gray be appointed to the Board of Psychology based on her knowledge, background, and commitment to serving the public.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1362 Commerce, Consumer Protection, and Health on Gov. Msg. No. 575

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 575 JULIE YATOGO, for a term to expire 06-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Julie Yatogo to possess the requisite qualifications to be nominated to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination of Julie Yatogo from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Ms. Yatogo's background, experience, and commitment to public service qualify her for consideration for appointment to the Board of Speech Pathology and Audiology as a speech pathologist member. Your Committee notes that Ms. Yatogo has been a licensed speech pathologist in Hawaii for over thirty years and has worked in a variety of practice settings, including with the Department of Education, Head Start, Zero to Three programs, and in hospital, outpatient, and home health settings. Ms. Yatogo is currently a speech pathologist with the Easter Seals Hawaii Kauai Service Center and is an active member of her professional organization, the Hawaii Speech-Language-Hearing Association, where she has served on the board in various positions for over twenty-five years. Your Committee further finds that Ms. Yatogo has been an interim appointee to the Board of Speech Pathology and Audiology since October 2016 and has a thorough understanding of the role and responsibilities of board members. Your Committee therefore recommends that Ms. Yatogo be appointed to the Board of Speech Pathology and Audiology based on her knowledge, experience, and dedication to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1363 Commerce, Consumer Protection, and Health on Gov. Msg. No. 576

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HURRICANE RELIEF FUND

G.M. No. 576 SCOT STERENBERG, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Scot Sterenberg to possess the requisite qualifications to be nominated to the Board of Directors of the Hurricane Relief Fund.

Your Committee received testimony in support of the nomination of Scot Sterenberg from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Sterenberg's background, experience, and commitment to public service qualify him to be nominated for appointment to the Board of Directors of the Hawaii Hurricane Relief Fund. Your Committee notes that Mr. Sterenberg has worked in the financial services and risk consultancy industry for the last twenty-five years and currently serves as Head of Office for the Hawaii office of Marsh Management Services, a company that provides risk analysis and related services, including captive insurance planning, to various clients. Mr. Sterenberg is also active in his community and serves on the board of a non-profit federally qualified health care facility that provides affordable, quality health care to underserved residents in the State. Your Committee further finds that Mr. Sterenberg currently serves as an interim appointee to the Board and has a thorough understanding of the role and responsibilities of board members and therefore recommends that Mr. Sterenberg be appointed to the Board of Directors of the Hawaii Hurricane Relief Fund based on his extensive experience, knowledge, and commitment to reducing the risk of catastrophic damage from future hurricanes.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1364 Commerce, Consumer Protection, and Health on Gov. Msg. No. 577

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 577 JULIAN YATES III, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Julian Yates III to possess the requisite qualifications to be nominated to the Pest Control Board.

Your Committee received testimony in support of the nomination of Julian Yates III from the Department of Commerce and Consumer Affairs, Hawaii Pest Control Association, and two individuals.

Upon review of the testimony, your Committee finds that Dr. Yates' knowledge, background, and experience qualify him to be nominated for appointment to the Pest Control Board as a public member. Your Committee notes that Dr. Yates is an entomologist who served as an Extension Specialist in Urban Entomology at the University of Hawai'i, College of Tropical Agriculture and Human Resources, Department of Plant and Environmental Protection Sciences. In that role, Dr. Yates served as an ex-officio member of the Pest Control Board for twenty-three years, until his retirement in 2016. Dr. Yates has an extensive background in termite research and education, particularly in the area of subterranean termites, and has conducted hundreds of training classes and seminars for the structural pest control industry and for the public at large. Your Committee further finds that Dr. Yates has been an interim member of the Pest Control Board since July 2016 and his contributions of insight and knowledge during his many years as an active and contributing ex-officio board member have been invaluable to the Board. Your Committee therefore recommends that Dr. Yates be considered for appointment to the Pest Control Board based on his background, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1365 Commerce, Consumer Protection, and Health on Gov. Msg. No. 578

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 578 SEAN GINOZA, for a term to expire 06-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sean Ginoza to possess the requisite qualifications to be nominated to the Real Estate Commission.

Your Committee received testimony in support of the nomination of Scott Ginoza from the Real Estate Commission.

Upon review of the testimony, your Committee finds that Mr. Ginoza's background, experience, and commitment to public service qualify him to be nominated for appointment to the Real Estate Commission as a real estate broker member representing Hawaii County. Your Committee notes that Mr. Ginoza is a real estate broker with over ten years in the real estate industry and is currently a Property Manager and Vice President with Ginoza Realty, Inc., in Hilo, Hawaii. Mr. Ginoza is also a member of the Hawaii Island Association of REALTORS and is a member of the Hawaii Island Chamber of Commerce and the Japanese Chamber of Commerce. Your Committee further finds that Mr. Ginoza has been an interim member of the Real Estate Commission since November 2016 and has a thorough understanding of the role and responsibilities of board members. Your Committee therefore recommends that Mr. Ginoza be appointed to the Real Estate Commission based on his knowledge, experience, and dedication to serving the community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1366 Commerce, Consumer Protection, and Health on Gov. Msg. No. 579

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 579 MARGARET WILLIAMS, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Margaret Williams 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 Margaret Williams from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds Ms. Williams' knowledge, background, and extensive industry experience qualify her to be nominated for appointment to the State Board of Barbering and Cosmetology as a barber member. Your Committee notes that Ms. Williams has been a licensed barber for over forty years and is a member of a family that has been deeply involved in the beauty and barbering industry in the State for more than sixty years. Ms. Williams is the President of the Hawaii Institute of Hair Design, an accredited hairstyling school that was first incorporated in Hawaii in 1956 as Honolulu Barber School, Ltd. In addition to her current administrative duties, Ms. Williams continues to teach new barbering students and practice her barbering skills. Your Committee further finds that Ms. Williams has served as an interim member of the State Board of Barbering and Cosmetology since October 2016 and her wealth of experience in the beauty and barbering industry continues to enhance the effectiveness of the Board. Your Committee therefore recommends that Ms. Williams be appointed to the State Board of Barbering and Cosmetology based on her experience, background, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1367 Commerce, Consumer Protection, and Health on Gov. Msg. No. 580

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF MASSAGE THERAPY

G.M. No. 580 SAMANTHA MEEHAN-VANDIKE, for a term to expire 06-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Samantha Meehan-Vandike to possess the requisite qualifications to be nominated to the State Board of Massage Therapy.

Your Committee received testimony in support of the nomination of Samantha Meehan-Vandike from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Ms. Meehan-Vandike's knowledge, background, and commitment to public service qualify her to be nominated for appointment to the State Board of Massage Therapy as a licensee member. Your Committee notes that Ms. Meehan-Vandike has been licensed as a massage therapist in Hawaii since 2010 and has worked in a variety of practice settings within the physical therapy and massage therapy industries in Hawaii and the United Kingdom, including in small physical therapy clinics, at a large resort spa, as an independent contractor, and as an instructor. Ms. Meehan-Vandike also remains active in her profession and is the Administration Director for the Hawaii Spa Association. Your Committee further finds that Ms. Meehan-Vandike has served as an interim member of the State Board of Massage Therapy since December 2016 and has a thorough understanding of the role and responsibilities of board members and therefore recommends that Ms. Meehan-Vandike be appointed to the State Board of Massage Therapy based on her background, experience, and dedication to serving her community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1368 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 581 and 582

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF NURSING

G.M. No. 581 IRIS OKAWA, for a term to expire 06-30-2019; and

G.M. No. 582 JOMEL DULDULAO, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Iris Okawa and Jomel Duldulao to possess the requisite qualifications to be nominated to the State Board of Nursing.

IRIS OKAWA

Your Committee received testimony in support of the nomination of Iris Okawa from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Ms. Okawa's background, knowledge, and commitment to community service qualify her to be nominated for appointment to the State Board of Nursing as a public member. Your Committee notes that Ms. Okawa is an attorney and is currently a Vice President, Relationship Manager, and Senior Fiduciary Leader at Bank of Hawaii, where she manages the Estate Settlement Division of the Trust Group. Ms. Okawa is also an active member of her community and is a trustee of the Public Schools of Hawaii Foundation and on the Leadership Council of the American Diabetes Association. Your Committee further finds that Ms. Okawa has served as an interim member of the State Board of Nursing since December 2016 and has a thorough understanding of the role and responsibilities of board members by virtue of her prior experience serving as a member of the Real Estate Commission, Aloha Tower Development Corporation, and the Honolulu Liquor Commission. Your Committee therefore recommends that Ms. Okawa be appointed to the State Board of Nursing based on her knowledge, experience, and dedication to serving her community.

JOMEL DULDULAO

Your Committee received testimony in support of the nomination of Jomel Duldulao from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Mr. Duldulao's experience, background, and dedication to community service qualify him to be nominated for appointment to the State Board of Nursing as a public member. Your Committee notes that Mr. Duldulao has worked in the health care industry for the past sixteen years, formerly as a pharmaceutical representative and hospital liaison and currently as the Director of Community Relations for Bristol Hospice Hawaii, LLC. Mr. Duldulao is an active member of his community and enjoys participating in seminars and volunteering his time with organizations such as the Alzheimer's Association

and Tripler Army Medical Center Fisher House. Your Committee further finds that Mr. Duldulao has served as an interim member of the State Board of Nursing since December 2016 and has a thorough understanding of the role and responsibilities of board members and his background as a public member in a related health care field will bring valuable insight to matters before the Board. Your Committee therefore recommends that Mr. Duldulao be appointed to the State Board of Nursing based on his background, knowledge, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1369 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 672 and 673

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PRIVATE DETECTIVES AND GUARDS

G.M. No. 672 KENNETH CHANG, for a term to expire 06-30-2021; and

G.M. No. 673 DOUGLAS INOUYE, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kenneth Chang and Douglas Inouye to possess the requisite qualifications to be nominated to the Board of Private Detectives and Guards.

KENNETH CHANG

Your Committee received testimony in support of the nomination for reappointment of Kenneth Chang from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Chang's knowledge, background, and proven leadership on the Board of Private Detectives and Guards qualify him to be nominated for reappointment to the Board of Private Detectives and Guards as a licensed private detective member. Your Committee notes that Mr. Chang has been actively involved in the private detective and guard industry for over twenty years and is currently the President of NDM Investigations & Security and an Executive Vice-President with Alarm Hawaii. Mr. Chang has served on the Board of Private Detectives and Guards since 2013, currently serves as the Applications Chairperson, and volunteers weekly to review guard employee applications, which helps keep the application backlog to a minimum. Your Committee further finds that through Mr. Chang's efforts, the Board of Private Detectives and Guards has been able to license a clean application within one week. Furthermore, although Mr. Chang is the detective licensee member, he also holds a guard license, and his wealth of experience and willingness to serve continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Chang be reappointed to the Board of Private Detectives and Guards based on his experience, background, and commitment to public service.

DOUGLAS INOUYE

Your Committee received testimony in support of the nomination of Douglas Inouye from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Inouye's background, knowledge, and prior experience on the Board of Private Detectives and Guards qualify him to be nominated for appointment to the Board of Private Detectives and Guards as a public member. Your Committee notes that Mr. Inouye is an attorney with over twenty-four years of experience practicing law in the public and private sectors and is currently the Corporate Counsel and Director of Contract Services for The Queen's Health Systems. Mr. Inouye previously served on the Board of Private Detectives and Guards from July 2008 until June 2016, as the Vice-Chairperson and Chairperson. Mr. Inouye's insights from the public perspective were invaluable to the deliberations of the Board of Private Detectives and Guards, especially in light of the implementation of Act 208, Session Laws of Hawaii 2010, which was enacted during Mr. Inouye's tenure as Chair and overhauled the security guard education and training requirements in the State. Your Committee further finds that Mr. Inouye has a thorough understanding of the role and responsibilities of board members and therefore recommends that Mr. Inouye be appointed to the Board of Private Detectives and Guards based on his knowledge, experience, and dedication to serving the public.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1370 Commerce, Consumer Protection, and Health on Gov. Msg. No. 651

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 651 DON D. PEDRO, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Don D. Pedro to possess the requisite qualifications to be nominated to the Board of Psychology.

Your Committee received testimony in support of the nomination of Don D. Pedro from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Dr. Pedro's knowledge, background, and commitment to public service qualify him to be nominated for appointment to the Board of Psychology as a psychologist member. Your Committee notes that Dr. Pedro is a licensed clinical psychologist with significant professional experience in the field of psychology in the public and private sectors. Dr. Pedro currently serves as the Forensic Section Head - Oahu Branch for the Department of Health's Adult Mental Health Section and works part-time in private practice. Dr. Pedro also has an extensive teaching background and has been a lecturer at the University of Hawai'i, Kapi'olani Community College, and a member of the adjunct faculty at Hawai'i Pacific University for nearly twenty years. Your Committee further finds that Dr. Pedro has a thorough understanding of the role and responsibilities of board members and his professional experience as a practitioner and teacher in the field of psychology will be an asset to the workings of the Board of Psychology. Your Committee therefore recommends that Dr. Pedro be appointed to the Board of Psychology based on his experience, background, and dedication to serving his community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1371 Commerce, Consumer Protection, and Health on Gov. Msg. No. 656

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 656 JONATHAN MONTALBO, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jonathan Montalbo to possess the requisite qualifications to be nominated for reappointment to the Pest Control Board.

Your Committee received testimony in support of the nomination for reappointment of Jonathan Montalbo from the Department of Commerce and Consumer Affairs and the Hawaii Pest Control Association.

Upon review of the testimony, your Committee finds that Mr. Montalbo's background, knowledge, and proven experience on the Pest Control Board qualify him to be nominated for reappointment to the Pest Control Board as a licensed pest control operator member. Your Committee notes that Mr. Montalbo has been in the pest control industry since 1998, has maintained a pest control operator's license since 2007, and is the President of Aloha Termite Kauai, Inc., in Lihue, Kauai. Mr. Montalbo is also an active member of the Hawaii Pest Control Association, where he has served for many years on the Board of Directors, including as past President. Your Committee further finds that Mr. Montalbo has served on the Pest Control Board since July 2014 and the insights he has gained from his years of experience in the pest control industry continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Montalbo be reappointed to the Pest Control Board based on his experience, knowledge, and dedication to serving his community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1372 Commerce, Consumer Protection, and Health on Gov. Msg. No. 674

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 674 STAPHE FUJIMOTO, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Staphe Fujimoto to possess the requisite qualifications to be nominated for reappointment to the Board of Dental Examiners.

Your Committee received testimony in support of the nomination for reappointment of Staphe Fujimoto from the Department of Commerce and Consumer Affairs, Hawaii Dental Association, and two individuals.

Upon review of the testimony, your Committee finds that Dr. Fujimoto's knowledge, experience, and proven leadership on the Board of Dental Examiners qualify him to be nominated for reappointment to the Board of Dental Examiners as a dentist member. Your Committee notes that Dr. Fujimoto has been a licensed dentist in Hawaii since 1985 and is active in his professional organizations, including the American Dental Association, Hawaii Dental Association, and Honolulu County Dental Association. Dr. Fujimoto has been a member of the Board of Dental Examiners since September 2012, has been appointed as a Steering Committee member of the Central Regional Dental Testing Service, Inc., and is committed to keeping the Board informed regarding the current trends in the practice of dentistry. Your Committee further finds that Dr. Fujimoto also attends regional examinations and meetings and serves as an examiner for dental licensure exams, which greatly assists the Board of Dental Examiners in its determinations regarding whether a dental applicant is qualified for licensure. Your Committee therefore recommends that Dr. Fujimoto be reappointed to the Board of Dental Examiners based on his experience, background, and dedication to serving his profession and the community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1373 (Joint) Human Services and Judiciary and Labor on S.C.R. No. 136

The purpose and intent of this measure is to:

- (1) Encourage the Department of Education, Department of Health, Department of Human Services, Department of the Attorney General, and Judiciary to incorporate research and strategies regarding adverse childhood experiences into their work with children suffering from trauma; and
- (2) Request that each of these agencies submit a report on the status of its plans to incorporate research and strategies regarding adverse childhood experiences into its work with children suffering from trauma to the Legislature prior to the Regular Session of 2018.

Your Committees received testimony in support of this measure from the Department of Education, IMUAlliance, Stop Abuse Campaign, National Family Advocacy Team, and six individuals. Your Committees received testimony in opposition to this measure from the Department of Health. Your Committees received comments on this measure from one individual.

Your Committees find that adverse childhood experiences are defined as abuse, neglect, and other traumatic or disruptive events that occur during childhood, causing serious damage to a child's developing brain. Adverse childhood experiences affect a person's social skills over the course of a lifetime and can also cause serious mental- and physical-health problems. More public awareness and information are needed to properly identify adverse childhood experiences, and recognition of the effects of adverse childhood experiences is essential for appropriate treatment and care. Encouraging various government entities to incorporate research and strategies regarding adverse childhood experiences will help combat the effects of adverse childhood experiences by providing proper support to children, families, organizations, systems, and communities.

Your Committees have amended this measure by:

- (1) Specifying that the Department of the Attorney General, rather than all of the respective agencies, is requested to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018 on behalf of all the agencies on the status of each agency's plans to incorporate research and strategies regarding adverse childhood experiences into each agency's work with children suffering from trauma; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Labor that are attached to this report, your Committees 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.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).
Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

SCRep. 1374 (Joint) Human Services and Judiciary and Labor on S.R. No. 57

The purpose and intent of this measure is to:

- (1) Encourage the Department of Education, Department of Health, Department of Human Services, Department of the Attorney General, and Judiciary to incorporate research and strategies regarding adverse childhood experiences into their work with children suffering from trauma; and
- (2) Request that each of these agencies submit a report on the status of its plans to incorporate research and strategies regarding adverse childhood experiences into its work with children suffering from trauma to the Legislature prior to the Regular Session of 2018.

Your Committees received testimony in support of this measure from the Department of Education, IMUAlliance, Stop Abuse Campaign, National Family Advocacy Team, and six individuals. Your Committees received testimony in opposition to this measure from the Department of Health. Your Committees received comments on this measure from one individual.

Your Committees find that adverse childhood experiences are defined as abuse, neglect, and other traumatic or disruptive events that occur during childhood, causing serious damage to a child's developing brain. Adverse childhood experiences affect a person's social skills over the course of a lifetime and can also cause serious mental- and physical-health problems. More public awareness and information are needed to properly identify adverse childhood experiences, and recognition of the effects of adverse childhood experiences is essential for appropriate treatment and care. Encouraging various government entities to incorporate research and strategies regarding adverse childhood experiences will help combat the effects of adverse childhood experiences by providing proper support to children, families, organizations, systems, and communities.

Your Committees have amended this measure by:

- (1) Specifying that the Department of the Attorney General, rather than all of the respective agencies, is requested to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018 on behalf of all the

agencies on the status of each agency's plans to incorporate research and strategies regarding adverse childhood experiences into each agency's work with children suffering from trauma; and

- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Judiciary and Labor that are attached to this report, your Committees 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.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).
Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

SCRep. 1375 Ways and Means on S.C.R. No. 30

The purpose and intent of this measure is to provide legislative approval of an exchange of land between the State and Parker Land Trust.

Specifically, this measure:

- (1) Expresses legislative approval of the exchange of 0.78 acre of state land currently set aside to the Department of Education in exchange for 5.445 acres of nearby land owned by Parker Land Trust; and
- (2) Classifies the 5.445 acres of land to be conveyed to the State as ceded lands pursuant to Section 5(b) of the Admissions Act.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, the Department of Education, and Parker Ranch, Inc.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the State will substantially benefit from this transaction by trading a small parcel of land valued at \$13,000 in exchange for a larger parcel of land valued at \$1,521,000. Your Committee further finds that this exchange serves a public purpose by increasing the land available for the future expansion of Waimea Elementary and Intermediate School.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 30, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (English, Kahele, Shimabukuro, Taniguchi, Wakai).

SCRep. 1376 Ways and Means on S.C.R. No. 43

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Kaneohe, Koolauapoko, Oahu, for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of a seawall fronting the property identified as Tax Map Key: (1) 4-5-058:121, as encroaching upon state submerged lands. The current owner of the abutting property has worked with the Department of Land and Natural Resources to convert the existing pier revocable permit to a long-term easement, as the pier is located on state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 43 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1377 Ways and Means on S.C.R. No. 42

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Kaneohe, Koolauapoko, Oahu, for the maintenance and repair of the existing seawall, boat ramp, and pier, and for use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of a seawall fronting the property identified as Tax Map Key: (1) 4-4-018: seaward of 072, as encroaching upon state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for use of those 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. 42 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1378 Ways and Means on S.C.R. No. 19

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 41-529 Inoaole Street, Waimanalo, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one concerned individual.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-529 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 19 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1379 Ways and Means on S.C.R. No. 20

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 41-648 Inoaole Street, Waimanalo, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one concerned individual.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-648 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As 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, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1380 Ways and Means on S.C.R. No. 21

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 41-652 Inoaole Street, Waimanalo, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; and Hawaii Housing Finance and Development Corporation.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-652 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As 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, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1381 Ways and Means on S.C.R. No. 22

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 41-659 Inoaole Street, Waimanalo, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one concerned individual.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other

prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-659 Inoaole Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As 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, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1382 Ways and Means on S.C.R. No. 23

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 41-1362 Waikalua Street, Waimanalo, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one individual.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 41-1362 Waikalua Street, Waimanalo, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As 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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1383 Ways and Means on S.C.R. No. 24

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 95-029 Kuahelani Avenue, No. 128, Mililani, Hawaii.

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.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 95-029 Kuahelani Avenue, No. 128, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 24 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1384 Ways and Means on S.C.R. No. 25

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 94-946 Meheula Parkway, No. 264, Mililani, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and two individuals.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 94-946 Meheula Parkway, No. 264, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 25 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1385 Ways and Means on S.C.R. No. 26

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 94-946 Meheula Parkway, No. 363, Mililani, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and Big Palm Partners, LLC.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 94-946 Meheula Parkway, No. 363, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As 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, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1386 Ways and Means on S.C.R. No. 27

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 94-950 Meheula Parkway, No. 367, Mililani, Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and one individual.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 94-950 Meheula Parkway, No. 367, Mililani, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As 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, 8. Noes, none. Excused, 3 (English, Kahele, Taniguchi).

SCRep. 1387 Ways and Means on S.C.R. No. 28

The purpose and intent of this measure is to grant legislative approval to sell the leased fee interest in 47-394 Keohapa Place, Kaneohe, Hawaii.

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.

Your Committee finds that section 171-64.7, Hawaii Revised Statutes, requires the prior approval of the Legislature by concurrent resolution to sell or gift certain state lands in fee simple, and specifies information that must be included in the resolution and other prerequisites to the sale. Your Committee further finds that the sale of the leased fee interest in 47-394 Keohapa Place, Kaneohe, Hawaii, falls under section 171-64.7, Hawaii Revised Statutes, and that the Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of the property.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 28 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Taniguchi).

SCRep. 1388 Ways and Means on S.C.R. No. 108

The purpose and intent of this measure is to request the Chief Election Officer to convene an automatic voter registration task force to determine, among other matters, the feasibility, cost savings, and cost impact of implementing an automatic voter registration system in Hawaii.

Your Committee received written comments in support of this measure from the Office of Elections, Common Cause Hawaii, Hawaii Alliance for Progressive Action, the League of Women Voters, and five individuals.

Your Committee finds that the registered voter turnout rate in Hawaii is low and that Hawaii currently ranks among the bottom of all states regarding the percentage of registered voters who turn out to vote. Your Committee further finds that the feasibility of establishing an automatic voter registration system, which may increase the registration rate and voter turnout, should be studied.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 108, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1389 Ways and Means on S.C.R. No. 141

The purpose and intent of this measure is to establish a task force under the State Foundation on Culture and the Arts to plan and coordinate the celebration of the one hundred fiftieth anniversary of the first arrival of Japanese emigrants to Hawaii.

Your Committee received written comments in support of this measure from two concerned individuals.

Your Committee finds that the first Japanese emigrants to Hawaii arrived on June 20, 1868. They numbered one hundred fifty-three men and women, and were recruited from Yokohama to work in the sugar cane fields as laborers.

Your Committee finds that the descendants of those initial arrivals and subsequent waves of emigrants from Japan as well as Okinawa have made Hawaii their home, contributing much to the diversity, economy, and history of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 1390 Ways and Means on S.R. No. 63

The purpose and intent of this measure is to establish a task force under the State Foundation on Culture and the Arts to plan and coordinate the celebration of the one hundred fiftieth anniversary of the first arrival of Japanese emigrants to Hawaii.

Your Committee received written comments in support of this measure from one concerned individual.

Your Committee finds that the first Japanese emigrants to Hawaii arrived on June 20, 1868. They numbered one hundred fifty-three men and women, and were recruited from Yokohama to work in the sugar cane fields as laborers.

Your Committee finds that the descendants of those initial arrivals and subsequent waves of emigrants from Japan as well as Okinawa have made Hawaii their home, contributing much to the diversity, economy, and history of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 1391 Ways and Means on S.C.R. No. 69

The purpose and intent of this measure is to request the Department of Agriculture and Department of Land and Natural Resources to identify the economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii.

Your Committee received written comments in support of this measure from the Department of Agriculture, Kauai County Farm Bureau, Hawaii Farm Bureau, and three individuals.

Your Committee received written comments in opposition to this measure from the Conservation Council for Hawaii.

Your Committee received written comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that the substantial damage to Hawaii crops caused by invasive and endangered species is well-known. However, the extent of the damage does not appear to have been quantified. Your Committee further finds that identifying and quantifying the impacts of the damage to agriculture in Hawaii is necessary to facilitate a unified federal, state, and county approach to address the problems caused by invasive and endangered species.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1392 Ways and Means on S.C.R. No. 74

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Lahaina, Maui, for the maintenance and repair of the existing concrete seawall, and for the use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of a seawall fronting the property identified as Tax Map Key: (2) 4-6-003: seaward of 007, Lahaina, Maui, as encroaching upon state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for use of those 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. 74, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1393 Ways and Means on S.C.R. No. 96

The purpose and intent of this measure is to request the Department of Land and Natural Resources, in collaboration with the National Oceanic and Atmospheric Administration, to explore the possibility of using autonomous unmanned surface vessel technology to detect and clean up ocean debris before it reaches Hawaii's reefs and beaches.

Your Committee received written comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that the problem of ocean debris must be addressed. The detrimental effects of ocean debris, particularly debris that does not break down readily, are well-known.

Your Committee further finds that innovative solutions are needed to effectively protect the oceans, reefs, shores, and aquatic life from debris. Your Committee notes that a Kailua inventor has developed an autonomous unmanned surface vessel system that may be capable of cleaning up floating ocean debris. Your Committee finds that using this system to address the ocean debris problem is worthy of further study.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1394 Ways and Means on S.R. No. 40

The purpose and intent of this measure is to request the Department of Land and Natural Resources, in collaboration with the National Oceanic and Atmospheric Administration, to explore the possibility of using autonomous unmanned surface vessel technology to detect and clean up ocean debris before it reaches Hawaii's reefs and beaches.

Your Committee received written comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that the problem of ocean debris must be addressed. The detrimental effects of ocean debris, particularly debris that does not break down readily, are well-known.

Your Committee further finds that innovative solutions are needed to effectively protect the oceans, reefs, shores, and aquatic life from debris. Your Committee notes that a Kailua inventor has developed an autonomous unmanned surface vessel system that may be capable of cleaning up floating ocean debris. Your Committee finds that using this system to address the ocean debris problem is worthy of further study.

As 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. 40, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1395 Ways and Means on S.C.R. No. 46

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands located in Waimanalo, Koolaulupoko, Oahu, for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified a seawall pier located on property identified as Tax Map Key: (1) 4-1-001: seaward of 011, as encroaching upon state submerged lands. The current owner of the abutting property has worked with the Department of Land and Natural Resources to convert the existing pier revocable permit to a long-term easement, as the pier is located on state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 46, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1396 Ways and Means on S.C.R. No. 120

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue an amended term, non-exclusive easement covering a portion of state submerged lands fronting property located in Maunaloa, Honolulu, Oahu, for the maintenance and repair of the existing channel, concrete surge break or breakwater, seawall, step, and filled land, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of the channel, concrete surge break or breakwater, seawall, step, and filled land fronting the property identified as Tax Map Key: (1) 3-9-026: seaward of 044, 045, and 048, as encroaching upon state submerged lands. The current owner of the abutting property has previously obtained a long-term easement of a portion of the encroaching area and has worked with the Department of Land and Natural Resources to obtain a similar easement of the additional encroachment area that is also located on state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 120, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1397 Ways and Means on S.C.R. No. 50

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Waikiki, Honolulu, Oahu, for the maintenance and repair of the existing pier and seawall, and for the use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified a pier and portions of a seawall fronting the property identified as Tax Map Key: (1) 3-6-001:036, as encroaching upon state submerged lands. The current owner of the abutting property has worked with the Department of Land and Natural Resources to convert the existing pier revocable permit to a long-term easement, as the pier and portions of the seawall are located on state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 50, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1398 Ways and Means on S.C.R. No. 146

The purpose and intent of this measure is to request the University of Hawaii System to establish a student exchange program compact between the University of Hawaii System and the University of Northern Philippines College of Hospitality and Tourism Management and the Ilocos Sur Community College Tourism Management Program.

Your Committee received written comments in support of this measure from the University of Hawaii System.

Your Committee finds that the State of Hawaii and the Province of Ilocos Sur in the Philippines have had a long relationship. The first "sakadas," or plantation workers, from Ilocos Sur arrived in Hawaii on December 20, 1906. Since 1985, Hawaii has had a sister-state relationship with Ilocos Sur.

Your Committee also finds that a student exchange program compact between the University of Hawaii System and the University of Northern Philippines and the Ilocos Sur Community College will benefit students of those institutions and the sister-state relationship between Hawaii and Ilocos Sur. Consequently, your Committee supports 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 concurs with the intent and purpose of S.C.R. No. 146, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1399 Ways and Means on S.R. No. 68

The purpose and intent of this measure is to request the University of Hawaii System to establish a student exchange program compact between the University of Hawaii System and the University of Northern Philippines College of Hospitality and Tourism Management and the Ilocos Sur Community College Tourism Management Program.

Your Committee received written comments in support of this measure from the University of Hawaii System.

Your Committee finds that the State of Hawaii and the Province of Ilocos Sur in the Philippines have had a long relationship. The first "sakadas," or plantation workers, from Ilocos Sur arrived in Hawaii on December 20, 1906. Since 1985, Hawaii has had a sister-state relationship with Ilocos Sur.

Your Committee also finds that a student exchange program compact between the University of Hawaii System and the University of Northern Philippines and the Ilocos Sur Community College will benefit students of those institutions and the sister-state relationship between Hawaii and Ilocos Sur. Consequently, your Committee supports 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 concurs with the intent and purpose of S.R. No. 68, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1400 Ways and Means on S.C.R. No. 41

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Waiohuli-Keokea (Kihei), Wailuku, Maui, for the maintenance and repair of the existing seawall.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of a seawall fronting the property identified as Tax Map Key: (2) 3-9-11:7, as encroaching upon state submerged lands. The previous and current owners of the abutting property have worked with the Department of Land and Natural Resources to obtain a long-term easement, as the seawall is located on state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 41 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1401 Ways and Means on S.C.R. No. 47

The purpose and intent of this measure is to authorize the amendment of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to amend a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Kailua, Koolaupoko, Oahu, for the maintenance and repair of the existing seawall and boat ramp, and for the use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of a seawall and boat ramp fronting the property identified as Tax Map Key: (1) 4-3-005: seaward of 094, as encroaching upon state submerged lands. The current owner of the abutting property has worked with the Department of Land and Natural Resources to amend the existing easement to include an additional encroachment area, as a subsequent survey showed that the shoreline boundary to be further mauka. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 47 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Kahele, Shimabukuro, Taniguchi).

SCRep. 1402 Ways and Means on S.C.R. No. 140

The purpose and intent of this measure is to urge the Board of Education to restrict any person from applying for the position of Superintendent of Education if that person was a member of the Board of Education while the search and hiring process was developed or initiated.

Your Committee finds that the Superintendent of Education is an officer of paramount importance for public education in Hawaii. To maintain public confidence in the new Superintendent, the appointment process must be impartial and fair, both in actuality and in perception, for all candidates for the office. For this reason, your Committee supports 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 concurs with the intent and purpose of S.C.R. No. 140 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1403 Ways and Means on S.R. No. 61

The purpose and intent of this measure is to urge the Board of Education to restrict any person from applying for the position of Superintendent of Education if that person was a member of the Board of Education while the search and hiring process was developed or initiated.

Your Committee finds that the Superintendent of Education is an officer of paramount importance for public education in Hawaii. To maintain public confidence in the new Superintendent, the appointment process must be impartial and fair, both in actuality and in perception, for all candidates for the office. For this reason, your Committee supports 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 concurs with the intent and purpose of S.R. No. 61 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1404 Ways and Means on S.C.R. No. 129

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to enter into an agreement with certain agencies to develop a master plan for the Hilo International Aerospace and Technology Park.

Your Committee received written comments in support of this measure from one concerned individual.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; and High Technology Development Corporation.

Your Committee finds that the Hilo area is appropriate for the development and operation of an international park for aerospace and technology activities. Your Committee further finds that the Department of Business, Economic Development, and Tourism is the appropriate agency to lead the collaborative effort to develop a master plan for the park. Your Committee emphasizes that the Department should be aware that the cost of the park must be affordable to 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. 129 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1405 Ways and Means on S.R. No. 53

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to enter into an agreement with certain agencies to develop a master plan for the Hilo International Aerospace and Technology Park.

Your Committee received written comments in support of this measure from one concerned individual.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; and High Technology Development Corporation.

Your Committee finds that the Hilo area is appropriate for the development and operation of an international park for aerospace and technology activities. Your Committee further finds that the Department of Business, Economic Development, and Tourism is the appropriate agency to lead the collaborative effort to develop a master plan for the park. Your Committee emphasizes that the Department should be aware that the cost of the park must be affordable to 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. 53 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1406 Ways and Means on S.C.R. No. 93

The purpose and intent of this measure is to request the Department of Taxation to upgrade and modernize its communication system.

Your Committee received written comments on this measure from the Department of Taxation.

Your Committee understands that taxpayers have had difficulty reaching the Department of Taxation's employees by telephone. Not only has the situation led to frustration and inconvenience among affected taxpayers, but frontline department employees also face increasing pressure. Your Committee finds that this situation should be rectified.

Your Committee also finds that the communication problem may be the result of the Department of Taxation's inattention to the business side of the tax system modernization project. Your Committee requests the Department to pay more attention to frontline employees who, along with taxpayers, should be regarded as the primary stakeholders in the tax system modernization project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1407 Ways and Means on S.R. No. 37

The purpose and intent of this measure is to request the Department of Taxation to upgrade and modernize its communication system.

Your Committee received written comments on this measure from the Department of Taxation.

Your Committee understands that taxpayers have had difficulty reaching the Department of Taxation's employees by telephone. Not only has the situation led to frustration and inconvenience among affected taxpayers, but frontline department employees also face increasing pressure. Your Committee finds that this situation should be rectified.

Your Committee also finds that the communication problem may be the result of the Department of Taxation's inattention to the business side of the tax system modernization project. Your Committee requests the Department to pay more attention to frontline employees who, along with taxpayers, should be regarded as the primary stakeholders in the tax system modernization project.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 37 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1408 Ways and Means on S.C.R. No. 171

The purpose and intent of this measure is to request the Department of Education to develop and establish a live, learn, work, and play program in Department schools throughout the State.

The basic purpose of the program is to more closely align workforce readiness education in the public schools with potential future jobs.

Your Committee received written comments in support of this measure from the Department of Education, Hawaii Youth Services Network, Hawaii State Teachers Association, and two concerned individuals.

Your Committee believes that the economy of the future will depend upon a workforce with a variety of skills, educational attainment, knowledge bases, and qualifications. Employees with both academic and vocational qualifications will be necessary. Your Committee finds that the methods proposed under this measure to more closely align public education with workforce readiness deserve consideration by the Department of Education.

Your Committee requests that the Department of Education evaluate the resources necessary for implementation of this 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. 171 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1409 Ways and Means on S.R. No. 85

The purpose and intent of this measure is to request the Department of Education to develop and establish a live, learn, work, and play program in Department schools throughout the State.

The basic purpose of the program is to more closely align workforce readiness education in the public schools with potential future jobs.

Your Committee received written comments in support of this measure from the Hawaii Youth Services Network, Hawaii State Teachers Association, and one concerned individual.

Your Committee believes that the economy of the future will depend upon a workforce with a variety of skills, educational attainment, knowledge bases, and qualifications. Employees with both academic and vocational qualifications will be necessary. Your Committee finds that the methods proposed under this measure to more closely align public education with workforce readiness deserve consideration by the Department of Education.

Your Committee requests that the Department of Education evaluate the resources necessary for implementation of this 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. 85 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1410 Ways and Means on S.C.R. No. 167

The purpose and intent of this measure is to urge the Department of Education to establish a vocational education out-of-school program for the State's public and charter school students in grades nine through twelve.

Your Committee received written comments in support of this measure from Hawaii Youth Services Network and the Hawaii State Teachers Association.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that a vocational education out-of-school program for students in grades nine through twelve will help to address two general issues:

- (1) The need for after-school supervision and structure for students of working parents; and
- (2) The need in the future for more workers with vocational skills.

For these reasons, your Committee finds that the establishment of a vocational education out-of-school program is worthy of further consideration.

Your Committee requests that the Department of Education evaluate the resources necessary for implementation of the request made by this measure and provide this information to the subsequent committee that considers 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 concurs with the intent and purpose of S.C.R. No. 167 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1411 Ways and Means on S.R. No. 81

The purpose and intent of this measure is to urge the Department of Education to establish a vocational education out-of-school program for the State's public and charter school students in grades nine through twelve.

Your Committee received written comments in support of this measure from Hawaii Youth Services Network and the Hawaii State Teachers Association.

Your Committee finds that a vocational education out-of-school program for students in grades nine through twelve will help to address two general issues:

- (1) The need for after-school supervision and structure for students of working parents; and
- (2) The need in the future for more workers with vocational skills.

For these reasons, your Committee finds that the establishment of a vocational education out-of-school program is worthy of further consideration.

Your Committee requests the Department of Education, in its consideration of the request made by this measure, to evaluate the resources necessary for implementation.

As 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. 81 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1412 Ways and Means on S.C.R. No. 168

The purpose and intent of this measure is to request the Department of Education to develop and implement a computer science curricula plan statewide for all students from kindergarten through twelfth grade.

Your Committee received written comments in support of this measure from the Department of Education, Microsoft Corporation, Code.org, and Women in Technology (Maui Economic Development Board).

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee is well aware of the need for skilled information technology employees in this State. In recent years, your Committee has received numerous budget requests from state departments for appropriations to fund information technology positions. Based upon the information supporting those requests, your Committee believes that information technology employees in both the public and private sectors, along with information technology consultants, are well compensated. Your Committee further believes that the information technology field will continue to offer well-compensated jobs and other opportunities in the future for public school graduates.

Your Committee requests the Department of Education to evaluate the resources necessary to effectuate the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 168 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1413 Ways and Means on S.R. No. 82

The purpose and intent of this measure is to request the Department of Education to develop and implement a computer science curricula plan statewide for all students from kindergarten through twelfth grade.

Your Committee received written comments in support of this measure from the Microsoft Corporation, Code.org, Women in Technology (Maui Economic Development Board), and two individuals.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee is well aware of the need for skilled information technology employees in this State. In recent years, your Committee has received numerous budget requests from state departments for appropriations to fund information technology positions. Based upon the information supporting those requests, your Committee believes that information technology employees in both the public and private sectors, along with information technology consultants, are well compensated. Your Committee further believes that the information technology field will continue to offer well-compensated jobs and other opportunities in the future for public school graduates.

Your Committee requests the Department of Education to evaluate the resources necessary to effectuate the intent of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 82 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1414 Commerce, Consumer Protection, and Health on S.C.R. No. 157

The purpose and intent of this measure is to request that the Department of Health collaborate with the Department of Education, Hawaii Association of Independent Schools, and University of Hawaii to promote awareness of meningococcal disease and the availability of vaccines to prevent the disease.

Your Committee received testimony in support of this measure from the Department of Education. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that between 800 and 1,500 individuals fall ill from meningococcal disease each year, with infants under one year of age and young adults between the ages of 16 and 23 most commonly impacted by the disease. Your Committee further finds that despite receiving available treatment, many individuals who fall ill from meningococcal disease suffer serious and long-lasting health impairments up to and including death.

Your Committee additionally finds that vaccination provides extremely effective protection from meningococcal disease, and that vaccination information and comprehensive information about the disease are valuable to students and other individuals at increased risk of exposure to meningococcal disease. Your Committee received testimony from the Department of Health indicating that public education efforts should include information on all vaccinations recommended for adolescents, rather than focusing solely on vaccinations for meningococcal disease. The Department of Health's testimony notes that the Advisory Committee on Immunization Practices recommends that children between the ages of 11 and 12 receive an annual influenza vaccine as well as vaccines for human papillomavirus and tetanus, diphtheria, and acellular pertussis.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to request that the Department of Health's public education materials provide information on all vaccinations recommended for adolescents, rather than solely information on meningococcal disease vaccinations;
- (2) Amending the title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 157, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 157, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1415 (Joint) Judiciary and Labor and Commerce, Consumer Protection, and Health on S.C.R. No. 80

The purpose and intent of this measure is to urge the Department of Labor and Industrial Relations to prepare a checklist for employers wishing to offer a high deductible health plan for use with a health savings account to facilitate the submission and approval of high deductible health plan and health savings account packages submitted to the Director of Labor and Industrial Relations for approval.

Your Committees received testimony in support of this measure from Alexander & Baldwin, Inc.; Chamber of Commerce Hawaii; and University Health Alliance. Your Committees received testimony in opposition to this measure from the International Longshore and Warehouse Union, Local 142. Your Committees received comments on this measure from the Department of Labor and Industrial Relations.

Your Committees find that employers offering high deductible health plans to their employees enable their employees to receive favorable federal and state tax benefits when they open a health savings account. Pursuant to existing law, an employer subject to the Hawaii Prepaid Health Care Act is required to receive approval from the Director of Labor and Industrial Relations in order to offer its employees a healthcare option, such as a high deductible health plan in tandem with a health savings account, in addition to coverage under a prepaid health care plan. To receive approval of a package containing a high deductible health plan in tandem with a health savings account, the employer must make a certain level of contribution to the health savings account and a certain level of contribution to the cost of the coverage of dependents under the package. By urging the Department of Labor and Industrial Relations to prepare a checklist for employers wishing to offer a high deductible health plan for use with a health savings account, this measure will streamline the process through which employers may obtain approval for these packages to offer to their employees.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 80, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 80, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Gabbard).
Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1416 Judiciary and Labor on S.C.R. No. 126

The purpose and intent of this measure is to:

- (1) Request the Judiciary to convene a criminal pretrial task force to examine and make recommendations regarding criminal pretrial practices and procedures to maximize public safety, court appearances, and pretrial release; and

- (2) Request the criminal pretrial task force, with the assistance of the Legislative Reference Bureau, to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2019.

Your Committee received testimony in support of this measure from the Judiciary, Department of Public Safety, and Community Alliance on Prisons. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that in recent years, a growing number of states and localities have reconsidered criminal pretrial release practices and have undergone reforms to increase public safety, court appearances, and pretrial release. By requesting the Judiciary to convene a criminal pretrial task force, this measure will assist in developing proper pretrial release procedures to allow officials to assess flight and danger risks; provide guidance for the proper supervision for different types or levels of risk; and help the State combat the overcrowding in its correctional facilities.

As 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. 126, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1417 Judiciary and Labor on S.C.R. No. 131

The purpose and intent of this measure is to urge the Governor, Attorney General, mayors of each county, and various state and county leaders to uphold the constitutions of the United States and Hawaii to preserve and protect civil rights and ensure the safety of immigrants in the State.

Your Committee received testimony in support of this measure from Planned Parenthood Votes Northwest and Hawaii, Rally for Common Ground, and thirteen individuals.

Your Committee finds that protecting and preserving the civil rights of all members of the community are essential to promoting and protecting the public welfare. The guarantees of certain civil rights are enshrined in the federal and state constitutions. Recent actions and statements emanating from the executive branch of the federal government have created uncertainty in the protection of certain individual civil rights, particularly as those protections pertain to immigrant communities. Immigrant communities, especially in this State, make vital social, cultural, and economic contributions to our society. It is therefore critical that government ensures that the rights of immigrants are not illegally infringed upon. To ensure the protection of all citizens' civil rights, and particularly those of immigrants, state and county agencies, and law enforcement officers are urged to uphold the federal and state constitutions and to resist any illegal actions that the federal government might take that would threaten the constitutionally protected rights of all citizens, including immigrants.

As 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. 131 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1418 Judiciary and Labor on S.C.R. No. 163

The purpose and intent of this measure is to:

- (1) Request the Auditor to conduct a performance audit of the Vocational Rehabilitation Unit of the Disability Compensation Division of the Department of Labor and Industrial Relations for the calendar years of 2015 and 2016;
- (2) Specify certain areas that are requested to be assessed by the Auditor and included in the performance audit; and
- (3) Request the Auditor to submit a report of any findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2018.

Your Committee did not receive any written testimony on this measure.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and inserting language that:

- (1) Requests the Judiciary, in cooperation with the police department of each county and prosecutor of each county, to annually compile and report on statistics regarding arrests, charges, and convictions or other dispositions based on the offense of abuse of a family or household member;
- (2) Specifies the types of information and data that the Judiciary is requested to:
 - (A) Obtain from the police department of each county and prosecutor of each county; and
 - (B) Compile and gather for the annual statistical report regarding arrests, charges, and convictions or other dispositions based on the offense of abuse of a family or household member; and
- (3) Requests the Judiciary to submit a written report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Sessions of 2018, 2019, and 2020.

Your Committee received testimony in support of the proposed S.D. 1 from the Domestic Violence Action Center, Hawaii State Coalition Against Domestic Violence, and six individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of the Prosecuting Attorney, County of Maui and Department of the Prosecuting Attorney, City and County of Honolulu. Your Committee received comments on the proposed S.D. 1 from the Judiciary.

Your Committee finds that domestic violence is a serious social issue in Hawaii. Despite a number of state laws that protect victims of domestic violence, aim to prevent future incidents of domestic violence, and penalize and provide assistance to domestic violence offenders, the rates of domestic violence occurring in Hawaii have not decreased. Of greater concern is the number of domestic violence incidents committed by repeat domestic violence offenders. Advocates for stronger domestic violence laws contend that part of the problem is that existing law is being circumvented, resulting in a lack of any real consequences on domestic violence offenders, and consequently, no change in their behavior. By requesting the Judiciary to provide specific data and information on how arrests, charges, and convictions or other dispositions based on or related to the offense of abuse of a family or household member are currently handled by the police, county prosecutors, and courts, this proposed S.D. 1 will assist in the establishment and implementation of more tailored laws that prevent domestic violence.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Making a technical amendment to its 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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 163, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 163, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1419 Ways and Means on S.R. No. 26

The purpose and intent of this measure is to request the Department of Agriculture and Department of Land and Natural Resources to identify the economic, environmental, and regulatory consequences of crop degradation caused by invasive and endangered species in Hawaii.

Your Committee received written comments in support of this measure from the Department of Agriculture and Hawaii County Farm Bureau.

Your Committee received written comments in opposition to this measure from the Conservation Council for Hawaii.

Your Committee received written comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that the substantial damage to Hawaii crops caused by invasive and endangered species is well-known. However, the extent of the damage does not appear to have been quantified. Your Committee further finds that identifying and quantifying the impacts of the damage to agriculture in Hawaii is necessary to facilitate a unified federal, state, and county approach to address the problems caused by invasive and endangered species.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1420 (Joint) Judiciary and Labor and Ways and Means on S.C.R. No. 82

The purpose and intent of this measure is to request that the task force established pursuant to H.C.R. No. 85, H.D. 2, S.D. 1, Regular Session of 2016, submit a report to the Legislature prior to the convening of the Regular Session of 2018 regarding the current status, staffing, resources, curriculum, and levels of staff participation at the Department of Public Safety training academy.

Your Committees received testimony in support of this measure from the Department of Public Safety.

Your Committees find that maintaining a properly trained public safety workforce is vital to protecting the public's health, safety, and well-being. Currently, the Department of Public Safety, which employs approximately two thousand five hundred individuals, operates its Training and Staff Development Branch as its training academy and complies with applicable staff training provisions of contracts negotiated through collective bargaining. This measure will ensure that the Legislature is informed of the current status, staffing, resources, curriculum, and levels of staff participation at the training academy.

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 concur with the intent and purpose of S.C.R. No. 82, S.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).
Ways and Means: Ayes, 7. Noes, none. Excused, 4 (Kahele, Riviere, Taniguchi, Wakai).

SCRep. 1421 (Joint) Judiciary and Labor and Ways and Means on S.C.R. No. 94

The purpose and intent of this measure is to:

- (1) Request the Department of the Attorney General to establish a working group to study forensic laboratories in the State and analyze specific issues; and
- (2) Request the working group to provide an interim report and final report of its findings, recommendations, and proposed legislation, through the Attorney General, to the Legislature prior to the convening of the Regular Sessions of 2018 and 2019, respectively.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received comments on this measure from the Department of the Attorney General and Police Department, City and County of Honolulu.

Your Committees find that supporting the development and expanded use of forensic science by law enforcement is important for protecting the public safety and welfare. Currently, the Honolulu Police Department has the only full-service forensic laboratory in the State, with limited facilities located at other law enforcement agencies. This measure promotes greater public safety by examining ways in which the use of forensic science may be expanded to these other law enforcement agencies in the State.

Your Committees have amended this measure by:

- (1) Adding to the working group one representative of the private criminal defense bar;
- (2) Specifying the chair of the Senate standing committee with primary subject matter jurisdiction over public safety and the chair of the House of Representatives standing committee with primary subject matter jurisdiction over public safety, rather than state legislators, as members of the working group; 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 concur with the intent and purpose of S.C.R. No. 94, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 94, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 4. Noes, none. Excused, 1 (Kim).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Kahele, Taniguchi).

SCRep. 1422 (Joint) Judiciary and Labor and Ways and Means on S.C.R. No. 100

The purpose and intent of this measure is to:

- (1) Urge law enforcement agencies to follow the guidelines developed by the Malama Kakou Project for the testing of sexual assault evidence collection kits;
- (2) Request the appropriate law enforcement agencies to submit a request for testing of sexual assault evidence collection kits that meet the testing guidelines to a laboratory for testing within ninety days after receipt of the kits and follow-up with that laboratory within ninety days of the request; and
- (3) Request an annual report from the Department of the Attorney General on the testing of sexual assault evidence collection kits in the State.

Your Committees received testimony in support of this measure from the Community Alliance on Prisons, Hawaii Women's Coalition, and two individuals. Your Committees received comments on this measure from the Police Department, City and County of Honolulu.

Your Committees find that reducing the incidence of sexual assault and ensuring the rights of sexual assault victims are vital to ensuring public health and safety. A 2016 inventory of all four county police departments showed that barely ten percent of all sexual assault evidence collection kits collected in the State since 1992 had been tested. In response, the Legislature passed Act 207, Session Laws of Hawaii 2016, to establish a working group to develop statewide standards and practices for the testing of sexual assault evidence collection kits. This working group developed the Malama Kakou Project, a state plan to reform the testing of sexual assault evidence collection kits. The Malama Kakou Project established guidelines to determine whether a kit should be tested, a priority order for kits that are to be tested, and a process for police departments to follow in implementing the defined criteria and priorities. This measure urges all law enforcement agencies in the State charged with collecting sexual assault evidence collection kits to follow the guidelines developed by the Malama Kakou Project in order to greatly enhance the process for testing sexual assault evidence collection kits.

Your Committees have amended this measure by:

- (1) Clarifying that in its annual report to the President of the Senate and the Speaker of the House of Representatives, the Department of the Attorney General is requested to provide the total number of sexual assault evidence collection kits collected by other members of the working group established pursuant to Act 207, Session Laws of Hawaii 2016, to reflect that these kits are collected by other parties; 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 concur with the intent and purpose of S.C.R. No. 100, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 100, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Kahele, Taniguchi).

SCRep. 1423 (Joint) Judiciary and Labor and Ways and Means on S.R. No. 44

The purpose and intent of this measure is to:

- (1) Urge law enforcement agencies to follow the guidelines developed by the Malama Kakou Project for the testing of sexual assault evidence collection kits;

- (2) Request the appropriate law enforcement agencies to submit a request for testing of sexual assault evidence collection kits that meet the testing guidelines to a laboratory for testing within ninety days after receipt of the kits and follow-up with that laboratory within ninety days of the request; and
- (3) Request an annual report from the Department of the Attorney General on the testing of sexual assault evidence collection kits in the State.

Your Committees received testimony in support of this measure from the Community Alliance on Prisons, Hawaii Women's Coalition, and two individuals. Your Committees received comments on this measure from the Police Department, City and County of Honolulu.

Your Committees find that reducing the incidence of sexual assault and ensuring the rights of sexual assault victims are vital to ensuring public health and safety. A 2016 inventory of all four county police departments showed that barely ten percent of all sexual assault evidence collection kits collected in the State since 1992 had been tested. In response, the Legislature passed Act 207, Session Laws of Hawaii 2016, to establish a working group to develop statewide standards and practices for the testing of sexual assault evidence collection kits. This working group developed the Malama Kakou Project, a state plan to reform the testing of sexual assault evidence collection kits. The Malama Kakou Project established guidelines to determine whether a kit should be tested, a priority order for kits that are to be tested, and a process for police departments to follow in implementing the defined criteria and priorities. This measure urges all law enforcement agencies in the State charged with collecting sexual assault evidence collection kits to follow the guidelines developed by the Malama Kakou Project in order to greatly enhance the process for testing sexual assault evidence collection kits.

Your Committees have amended this measure by:

- (1) Clarifying that in its annual report to the President of the Senate and the Speaker of the House of Representatives, the Department of the Attorney General is requested to provide the total number of sexual assault evidence collection kits collected by other members of the working group established pursuant to Act 207, Session Laws of Hawaii 2016, to reflect that these kits are collected by other parties; 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 concur with the intent and purpose of S.R. No. 44, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 44, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Kahele, Taniguchi).

SCRep. 1424 (Joint) Judiciary and Labor and Ways and Means on S.C.R. No. 117

The purpose and intent of this measure is to encourage the continuation and expansion of community-based work furlough programs to help female inmates transition back into society.

Your Committees received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Community Alliance on Prisons, Hawaii Women's Coalition, and seven individuals.

Your Committees find that supporting the expanded use of alternatives to incarceration is essential for promoting public welfare and reforming the State's correctional system. The expanded use of alternatives to incarceration is particularly important for the State's population of female inmates. The majority of female inmates are nonviolent offenders who do not pose a threat to the community, are mothers whose incarceration threatens the integrity of the family unit, or are re-incarcerated if they do not receive proper support during their transition back into society.

Your Committees further find that community-based work furlough programs can be an effective means of transitioning inmates back into society, help reduce incarceration costs, reduce recidivism, and create safer communities. This measure helps community-based work furlough programs continue to help female inmates transition back into society and expand program services to more female inmates.

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 concur with the intent and purpose of S.C.R. No. 117 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Kahele, Taniguchi).

SCRep. 1425 (Joint) Judiciary and Labor and Ways and Means on S.C.R. No. 130

The purpose and intent of this measure is to urge the State Sheriff to create a working group to develop a course of action and possible operations that could be established and deployed to combat the drug epidemic in the State, and discuss cross jurisdictional issues, if any, among federal, state, and county law enforcement agencies.

Your Committees received comments on this measure from the Department of Public Safety.

Your Committees find that abuse of illicit drugs is an epidemic that threatens the health, safety, and welfare of the people in Hawaii. This measure helps the State explore all reasonable options in combatting illicit drug abuse across the State.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Public Safety and Department of Transportation jointly, rather than the State Sheriff, convene the working group;
- (2) Adding a representative from the Department of Public Safety to the working group;
- (3) Amending its title to reflect its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 130, S.D. 1, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 130, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (Kahele, Taniguchi).

SCRep. 1426 Ways and Means on S.C.R. No. 53

The purpose and intent of this measure is to request the Legislative Reference Bureau to conduct a study on the per-pupil funding system to determine whether the system fulfills its statutory purpose of equalizing operational funding among public schools. This measure also requests the stakeholders in the per-pupil funding issues to provide information and assistance to the Legislative Reference Bureau.

Your Committee received written comments in support of this measure from the Hawaii State Public Charter School Commission, the Office of Hawaiian Affairs, the Hawaii Public Charter Schools Network, the Hawaii State Teachers Association, Kamehameha Schools, and one individual.

Your Committee received written comments on this measure from the Department of Education and the Legislative Reference Bureau.

Your Committee finds that the issue of per-pupil funding for state charter schools is one of long-standing controversy. Your Committee hopes that the findings and recommendations of the Legislative Reference Bureau, an objective party, will contribute towards identifying solutions to the problems with the per-pupil funding formula.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 53 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1427 Ways and Means on S.C.R. No. 109

The purpose and intent of this measure is to request the Department of Labor and Industrial Relations to prepare a proposal that delineates how it will increase the reimbursement rate to providers of services for workers' compensation claimants.

Your Committee received written comments in support of this measure from the International Longshore and Warehouse Union Local 142, Hawaii Chapter of the American Physical Therapy Association, two individuals, and a petition signed by seventy-five individuals.

The Department of Labor and Industrial Relations submitted written comments on the measure.

Your Committee understands that the Department of Labor and Industrial Relations is currently engaged in efforts to update the Workers' Compensation Supplemental Medical Fee Schedule effective January 1, 2018. Your Committee finds that this measure is complementary to the Department's ongoing effort.

As 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. 109, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1428 Ways and Means on S.C.R. No. 79

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 for seawall repairs.

More specifically, this measure authorizes the issuance of a fifty-five year term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as Tax Map Key: (4) 4-3-009, seaward of 001, Waipouli, Kawaihau, Kauai, for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that the Board of Land and Natural Resources approved a grant of a fifty-five year, non-exclusive easement for the maintenance and repair of the existing seawall fronting the property identified in this measure. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements thereon.

As 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. 79, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1429 Ways and Means on S.C.R. No. 160

The purpose and intent of this measure is to request the University of Hawaii, in collaboration with the Department of Land and Natural Resources, to investigate techniques that can be used to eliminate mosquitoes from Hawaii, the estimated costs of establishing a statewide mosquito eradication program, and the expected environmental impacts of different mosquito eradication techniques.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Hawaii Pest Control Association, and two concerned individuals.

Your Committee received written comments on this measure from the University of Hawaii System.

Mosquitoes are an alien species to Hawaii. They are vectors of diseases that pose significant risks to the public health and environment. Dengue fever and the zika virus are transmitted by mosquitoes, as is avian malaria, which has decimated the native bird population.

Thus, your Committee finds that mosquito eradication efforts should be explored. Accordingly, your Committee supports this measure.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purpose of clarity.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 160, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1430 Ways and Means on S.C.R. No. 105

The purpose and intent of this measure is to request the Auditor to conduct a “sunrise analysis” of mandating health insurance coverage for medically necessary cognitive rehabilitation therapy for survivors of traumatic brain injury.

Your Committee received written comments in support of this measure from the Disability and Communication Access Board and the Hawaii Disability Rights Center.

Your Committee notes that Senate Bill No. 225, S.D. 1, proposes to mandate health insurance coverage for medically necessary cognitive rehabilitation therapy for survivors of traumatic brain injury.

Furthermore, section 23-52, Hawaii Revised Statutes, requires the Auditor to conduct a “sunrise analysis” of new benefits proposed to be mandated for health insurance coverage. If instructed by an adopted concurrent resolution, the Auditor is required to conduct the analysis on a specific legislative bill.

This measure is the concurrent resolution by which the Legislature requires the Auditor to conduct the “sunrise analysis” of the proposed cognitive therapy benefit proposed to be mandated under S.B. No. 225, 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 concurs with the intent and purpose of S.C.R. No. 105, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1431 Ways and Means on S.C.R. No. 106

The purpose and intent of this measure is to request the MedQUEST Administrator to convene a working group to:

- (1) Evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues; and
- (2) Consider solutions that include incentives or add-on payments to encourage the transfer of waitlisted patients out of hospitals and into more appropriate settings.

Your Committee received written comments in support of this measure from Hawaii Health Systems Corporation, Legacy of Life Hawaii, Healthcare Association of Hawaii, The Queen’s Health Systems, Kaiser Permanente, and AONE Hawaii.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee is aware of the problem of waitlisted patients with complex medical or behavioral conditions who remain in hospitals. Your Committee supports the convening of a working group to address the problem.

Your Committee requests that the working group, during its deliberations and in formulating its recommendations, be cognizant of the budgetary constraints 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 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, 11. Noes, none. Excused, none.

SCRep. 1432 Ways and Means on S.C.R. No. 132

The purpose and intent of this measure is to request the Auditor to conduct a comprehensive management audit of the Public Utilities Commission.

In addition, as part of the audit, this measure requests the Auditor to examine the role of the Division of Consumer Advocacy regarding proceedings before the Commission.

Your Committee received written comments in support of this measure from the Public Utilities Commission, Hawaii Government Employees Association, and one individual.

The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs and the Office of the Auditor submitted written comments on the measure.

Your Committee finds that this measure provides detailed reasons and justifications for a management audit of the Public Utilities Commission. Your Committee agrees with this measure's recitations, and consequently, acts favorably 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 concurs with the intent and purpose of S.C.R. No. 132, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1433 Ways and Means on S.C.R. No. 137

The purpose and intent of this measure is to request the Board of Education to consider requiring students in grades six, seven, and eight to take courses in physical education and health education.

Your Committee received written comments in support of this measure from the Hawaii Youth Services Network, American Heart Association, Hawaii Public Health Institute, and seventeen individuals.

Your Committee received written comments on this measure from the Department of Education and the Department of Health.

Your Committee finds that physical and health education provide many benefits to students. Direct benefits are the knowledge imparted through instruction and curricula. Research also suggests that students derive indirect benefits, such as increased concentration, improved scores in other subjects, and reduction in disruptive behavior. For these reasons, your Committee supports this measure.

When considering the requirement for physical and health education, your Committee also requests the Board of Education to evaluate the resources necessary for implementation.

As 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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1434 Ways and Means on S.R. No. 58

The purpose and intent of this measure is to request the Board of Education to consider requiring students in grades six, seven, and eight to take courses in physical education and health education.

Your Committee received written comments in support of this measure from the Hawaii Youth Services Network, American Heart Association, Hawaii Public Health Institute, and sixteen individuals.

Your Committee finds that physical and health education provide many benefits to students. Direct benefits are the knowledge imparted through instruction and curricula. Research also suggests that students derive indirect benefits, such as increased concentration, improved scores in other subjects, and reduction in disruptive behavior. For these reasons, your Committee supports this measure.

When considering the requirement for physical and health education, your Committee also requests the Board of Education to evaluate the resources necessary for implementation.

As 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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1435 Ways and Means on S.C.R. No. 138

The purpose and intent of this measure is to request the Department of Education and University of Hawaii System to develop programming and education supports for educational assistants and long-term substitute teachers to earn teaching degrees and become full-time certified teachers.

Your Committee received written comments in support of this measure from the Department of Education, Hawaii State Teachers Association, and two individuals.

The University of Hawaii submitted written comments on the measure.

Your Committee finds that Hawaii has been experiencing a teacher shortage over the last several years. Innovative strategies should be considered to remedy the problem. Your Committee finds that this measure proposes a program that may potentially increase the number of public school teachers in Hawaii.

Your Committee requests that the Department of Education and University of Hawaii, when considering whether to establish the program contemplated by this measure, evaluate the resources necessary for the 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. 138 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1436 Ways and Means on S.R. No. 59

The purpose and intent of this measure is to request the Department of Education and University of Hawaii System to develop programming and education supports for educational assistants and long-term substitute teachers to earn teaching degrees and become full-time certified teachers.

Your Committee received written comments in support of this measure from the Hawaii State Teachers Association.

The University of Hawaii submitted written comments on the measure.

Your Committee finds that Hawaii has been experiencing a teacher shortage over the last several years. Innovative strategies should be considered to remedy the problem. Your Committee finds that this measure proposes a program that may potentially increase the number of public school teachers in Hawaii.

Your Committee requests that the Department of Education and University of Hawaii, when considering whether to establish the program contemplated by this measure, evaluate the resources necessary for the 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. 59 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1437 Ways and Means on S.C.R. No. 169

The purpose and intent of this measure is to request the final report of the task force established pursuant to House Concurrent Resolution No. 85, H.D. 2, S.D. 1, of the Regular Session of 2016, to also identify sites of ten acres or less to reflect the concept that modern correctional facilities can be developed vertically.

Your Committee received written comments in support of this measure from the Launani Valley Community Association and one individual.

Your Committee received written comments on this measure from the Department of Public Safety, the Community Alliance on Prisons, and one individual.

Your Committee notes that the task force established pursuant to House Concurrent Resolution No. 85, H.D. 2, S.D. 1, is engaged in a study on effective incarceration policies to improve Hawaii's correctional system. In a briefing of legislative committees, the task force suggested that the current planning for a new correctional facility may be premature because the task force is considering options to significantly reduce the State's inmate population and create a more cost-effective system focusing on rehabilitation rather than punishment.

Thus, your Committee finds that the task force should be given the opportunity to identify potential correctional facility sites that are consistent with its inmate incarceration recommendations.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1438 Ways and Means on S.R. No. 83

The purpose and intent of this measure is to request the final report of the task force established pursuant to House Concurrent Resolution No. 85, H.D. 2, S.D. 1, of the Regular Session of 2016, to also identify sites of ten acres or less to reflect the concept that modern correctional facilities can be developed vertically.

Your Committee received written comments in support of this measure from the Launani Valley Community Association.

Your Committee received written comments on this measure from the Department of Public Safety.

Your Committee notes that the task force established pursuant to House Concurrent Resolution No. 85, H.D. 2, S.D. 1, is engaged in a study on effective incarceration policies to improve Hawaii's correctional system. In a briefing of legislative committees, the task force suggested that the current planning for a new correctional facility may be premature because the task force is considering options to significantly reduce the State's inmate population and create a more cost-effective system focusing on rehabilitation rather than punishment.

Thus, your Committee finds that the task force should be given the opportunity to identify potential correctional facility sites that are consistent with its inmate incarceration recommendations.

As 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. 83, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1439 Ways and Means on S.C.R. No. 170

The purpose and intent of this measure is to urge the Department of Business, Economic Development, and Tourism to create a plan to develop the West Oahu Creative Lab Media/Film Studio Complex and relocate the Hawaii Film Studio to the Complex.

This measure also urges the University of Hawaii Board of Regents to transfer at least thirty acres, but not more than fifty acres, to the High Technology Development Corporation upon the development of the plan.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation. Your Committee received comments on this measure from the University of Hawaii.

Your Committee finds that West Oahu is a feasible location for a West Oahu Creative Lab/Film Studio Complex. Your Committee further finds that the creation of a plan by the Department of Business, Economic Development, and Tourism before the Complex is established is a logical step.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 170, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1440 Ways and Means on S.R. No. 84

The purpose and intent of this measure is to urge the Department of Business, Economic Development, and Tourism to create a plan to develop the West Oahu Creative Lab Media/Film Studio Complex and relocate the Hawaii Film Studio to the Complex.

This measure also urges the University of Hawaii Board of Regents to transfer at least thirty acres, but not more than fifty acres, to the High Technology Development Corporation upon the development of the plan.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation. Your Committee received comments on this measure from the University of Hawaii.

Your Committee finds that West Oahu is a feasible location for a West Oahu Creative Lab/Film Studio Complex. Your Committee further finds that the creation of a plan by the Department of Business, Economic Development, and Tourism before the Complex is established is a logical step.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1441 Ways and Means on S.C.R. No. 88

The purpose and intent of this measure is to encourage the United States Army Corps of Engineers and the Department of Land and Natural Resources, along with other designated parties, to work collaboratively to research and develop a plan for increasing water circulation and improving water quality in Pokai Bay on Oahu's Leeward Coast to mitigate environmental and health risks caused by pollution and contaminants in the water.

Your Committee received written comments in support of this measure from the Waianae Coast Comprehensive Health Center and three individuals.

Your Committee received written comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that Pokai Bay usually appears to have crystal blue waters and white sands, making the location attractive to a variety of recreational water users.

However, Pokai Bay may be negatively affected by pollutants from multiple sources, such as runoff, illegal dumping, and user-induced contaminants. The accumulation of pollutants may be mitigated if the circulation of the water in Pokai Bay is improved.

Thus, your Committee supports efforts by the United States Army Corps of Engineers, the Department of Land and Natural Resources, and other parties to improve the water circulation in Pokai Bay.

Your Committee has amended this measure by making a technical, nonsubstantive 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 concurs with the intent and purpose of S.C.R. No. 88, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 88, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1442 Ways and Means on S.R. No. 34

The purpose and intent of this measure is to encourage the United States Army Corps of Engineers and the Department of Land and Natural Resources, along with other designated parties, to work collaboratively to research and develop a plan for increasing water circulation and improving water quality in Pokai Bay on Oahu's Leeward Coast to mitigate environmental and health risks caused by pollution and contaminants in the water.

Your Committee received written comments in support of this measure from the Waianae Coast Comprehensive Health Center and three individuals.

Your Committee received written comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that Pokai Bay usually appears to have crystal blue waters and white sands, making the location attractive to a variety of recreational water users.

However, Pokai Bay may be negatively affected by pollutants from multiple sources, such as runoff, illegal dumping, and user-induced contaminants. The accumulation of pollutants may be mitigated if the circulation of the water in Pokai Bay is improved.

Thus, your Committee supports efforts by the United States Army Corps of Engineers, the Department of Land and Natural Resources, and other parties to improve the water circulation in Pokai Bay.

Your Committee has amended this measure by making a technical, nonsubstantive 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 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, 11. Noes, none. Excused, none.

SCRep. 1443 Ways and Means on S.C.R. No. 121

The purpose and intent of this measure is to urge the significant growth, development, intensification, and expansion of agriculture to incorporate dedicated food and biofuel feedstock growth to achieve the goals of food and fuel sustainability and security through a Hawaii Green Fuels Initiative.

Your Committee received written comments in support of this measure from the Department of Agriculture; University of Hawaii; Clean Energy Solutions; and The Maritime Group, LLC.

Your Committee finds that integrating local renewable fuel production with local food production from the agriculture sector will allow the State's economy, environment, and residents to thrive. This kind of integration is a commonsense approach to promote and achieve a better future for Hawaii and its 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. 121 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1444 Ways and Means on S.C.R. No. 85

The purpose and intent of this measure is to request the Office of Hawaiian Affairs (OHA) to convene a group of Hawaiian leaders, legal scholars, and Hawaiian community members to:

- (1) Review whether the manner of selecting and seating OHA trustees could be improved through a process by which trustees are appointed rather than elected;
- (2) Consider the appropriate appointing authority; and
- (3) Consider how to develop a list of the best qualified potential trustees for submittal to the appointing authority.

Your Committee received written comments in support of this measure from two individuals.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that this measure provides a mechanism to encourage serious discussion and sober consideration of effective alternatives to the existing governance structure of the Office of Hawaiian Affairs. Your Committee supports the concept of providing opportunities for Hawaiians to discuss the governance structure of the Office of Hawaiian Affairs and believes this measure should continue in the legislative process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 85 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1445 Ways and Means on S.R. No. 33

The purpose and intent of this measure is to request the Office of Hawaiian Affairs (OHA) to convene a group of Hawaiian leaders, legal scholars, and Hawaiian community members to:

- (1) Review whether the manner of selecting and seating OHA trustees could be improved through a process by which trustees are appointed rather than elected;
- (2) Consider the appropriate appointing authority; and
- (3) Consider how to develop a list of the best qualified potential trustees for submittal to the appointing authority.

Your Committee received written comments in support of this measure from two individuals.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that this measure provides a mechanism to encourage serious discussion and sober consideration of effective alternatives to the existing governance structure of the Office of Hawaiian Affairs. Your Committee supports the concept of providing opportunities for Hawaiians to discuss the governance structure of the Office of Hawaiian Affairs and believes this measure should continue in the legislative process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 33 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1446 Ways and Means on S.C.R. No. 90

The purpose and intent of this measure is to urge the Office of Planning to study and update the economic objectives and policies for agriculture in the Hawaii State Planning Act.

Your Committee received written comments in support of this measure from the Department of Agriculture and the Office of Planning.

Your Committee finds that the agriculture industry in Hawaii has changed drastically over the years. Sugar and pineapple are no longer predominant, and diversification is increasing. Thus, your Committee finds that the agriculture provisions of the Hawaii State Planning Act should be updated.

As 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. 90, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1447 Ways and Means on S.C.R. No. 143

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to work with housing stakeholders and other state and county agencies to evaluate and update its policies and procedures with respect to its administration of the Rental Housing Revolving Fund Program.

The Hawaii Housing Finance and Development Corporation submitted written comments on the measure.

Your Committee is well aware of the need for more housing units for the residents of Hawaii, especially rental units. Projections indicate that Hawaii will need 64,000 new housing units by 2025, approximately 22,000 of which will need to be rental units. In recognition of this need, the Legislature passed, and the Governor signed, a bill that became Act 127, Session Laws of Hawaii 2016. Act 127 sets a goal to build 22,500 affordable rental housing units by 2026 and establishes a special action team on affordable rental housing to provide assistance and advice to achieve that goal.

Within state government, the Hawaii Housing Finance and Development Corporation is the agency with primary responsibility for developing and funding affordable housing projects. As this measure notes, the Corporation has substantial resources available to accomplish its duties. Much of the resources are in or flow through the rental housing revolving fund.

As this measure notes, non-profit and for-profit developers, construction industry stakeholders, and community housing stakeholders have requested "an evaluation of the policies and procedures of the administration of the rental housing revolving fund." Your Committee adds its support for such an evaluation. Your Committee believes that the evaluation is necessary to expedite the development, construction, and occupancy of more rental housing units for the residents of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 143 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1448 Ways and Means on S.R. No. 65

The purpose and intent of this measure is to urge the Hawaii Housing Finance and Development Corporation to work with housing stakeholders and other state and county agencies to evaluate and update its policies and procedures with respect to its administration of the Rental Housing Revolving Fund Program.

The Hawaii Housing Finance and Development Corporation submitted written comments on the measure.

Your Committee is well aware of the need for more housing units for the residents of Hawaii, especially rental units. Projections indicate that Hawaii will need 64,000 new housing units by 2025, approximately 22,000 of which will need to be rental units. In recognition of this need, the Legislature passed, and the Governor signed, a bill that became Act 127, Session Laws of Hawaii 2016. Act 127 sets a goal to build 22,500 affordable rental housing units by 2026 and establishes a special action team on affordable rental housing to provide assistance and advice to achieve that goal.

Within state government, the Hawaii Housing Finance and Development Corporation is the agency with primary responsibility for developing and funding affordable housing projects. As this measure notes, the Corporation has substantial resources available to accomplish its duties. Much of the resources are in or flow through the rental housing revolving fund.

As this measure notes, non-profit and for-profit developers, construction industry stakeholders, and community housing stakeholders have requested "an evaluation of the policies and procedures of the administration of the rental housing revolving fund." Your Committee adds its support for such an evaluation. Your Committee believes that the evaluation is necessary to expedite the development, construction, and occupancy of more rental housing units for the residents of Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 65 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1449 Ways and Means on S.C.R. No. 145

The purpose and intent of this measure is to address the development of affordable housing.

More specifically, this measure requests that the Hawaii Housing Finance and Development Corporation:

- (1) Develop a collaborative plan to best leverage the various affordable housing funds of the State and each county to build affordable housing projects;
- (2) Work with the appropriate government agencies to identify and fund the necessary infrastructure improvements needed for the construction of affordable housing projects;
- (3) Work with the Department of Accounting and General Services and the County of Maui to explore the feasibility of transferring a parcel of land in Kahului for development of a mixed-use rental housing project; and
- (4) Examine the potential of a unified affordable housing approval process to streamline the regulatory requirements for building affordable housing projects on all islands of the State.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation; the Chair of the Maui County Council; the Council member for the Molokai residency area, Maui County Council; the Director of Housing and Human Concerns, County of Maui; Face Maui; Na Hale O Maui; Go Maui, Inc.; and one individual.

Your Committee is well aware of the need for more housing units, especially rental units, for the residents of Hawaii. Projections indicate that by 2025, Hawaii will need 64,000 new housing units, approximately 22,000 of which will need to be rental units.

Your Committee finds that coordinated efforts, such as those identified in this measure, are imperative in order to provide the necessary affordable housing units.

As 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. 145, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1450 Ways and Means on S.R. No. 67

The purpose and intent of this measure is to address the development of affordable housing.

More specifically, this measure requests that the Hawaii Housing Finance and Development Corporation:

- (1) Develop a collaborative plan to best leverage the various affordable housing funds of the State and each county to build affordable housing projects;
- (2) Work with the appropriate government agencies to identify and fund the necessary infrastructure improvements needed for the construction of affordable housing projects;
- (3) Work with the Department of Accounting and General Services and the County of Maui to explore the feasibility of transferring a parcel of land in Kahului for development of a mixed-use rental housing project; and
- (4) Examine the potential of a unified affordable housing approval process to streamline the regulatory requirements for building affordable housing projects on all islands of the State.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation; the Council member for the Molokai residency area, Maui County Council; and Na Hale O Maui.

Your Committee is well aware of the need for more housing units, especially rental units, for the residents of Hawaii. Projections indicate that by 2025, Hawaii will need 64,000 new housing units, approximately 22,000 of which will need to be rental units.

Your Committee finds that coordinated efforts, such as those identified in this measure, are imperative in order to provide the necessary affordable housing units.

As 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. 67, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1451 Ways and Means on S.C.R. No. 16

The purpose and intent of this measure is to convene a legislative retirement savings working group to investigate and identify strategies to promote greater retirement savings for private sector employees.

Your Committee received written comments in support of this measure from the Policy Advisory Board for Elder Affairs, Maui County Office on Aging, AARP Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Family Caregiver Coalition, ILWU Local 142, and fifteen individuals.

Your Committee received written comments on this measure from the Legislative Reference Bureau, American Council of Life Insurers, and NAIFA Hawaii.

Your Committee finds that there is a looming retirement security crisis in Hawaii because many individuals are not part of an employer-sponsored retirement plan. Approximately fifty per cent of Hawaii's private sector employees work for an employer that does not offer a retirement plan. Also, employees of businesses with fewer than one hundred employees are much less likely to have access to a retirement plan than employees of larger businesses. Individuals without a retirement plan are at a significant risk of not having sufficient retirement income to supplement Social Security income to meet basic expenses during their retirement years. Accordingly, convening a legislative working group to study the feasibility and impact of establishing a retirement savings program for private sector employees who are without an employer-based retirement plan in the State is imperative.

Your Committee has amended this measure by replacing Illinois with Utah as a state that has adopted a private marketplace plan that should be examined by 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. 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, 11. Noes, none. Excused, none.

SCRep. 1452 Ways and Means on S.C.R. No. 174

The purpose and intent of this measure is to request the Department of Land and Natural Resources to assist the Office of Hawaiian Affairs in providing an easement to the Agribusiness Development Corporation for water irrigation infrastructure on certain property owned by the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that this measure is intended to address the irrigation of state-owned agricultural lands in the Central Oahu and North Shore areas. Your Committee further finds that the maximum agricultural use of those prime agricultural lands depends on an adequate supply of irrigation water. Accordingly, your Committee acts favorably 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 concurs with the intent and purpose of S.C.R. No. 174 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1453 Ways and Means on S.R. No. 88

The purpose and intent of this measure is to request the Department of Land and Natural Resources to assist the Office of Hawaiian Affairs in providing an easement to the Agribusiness Development Corporation for water irrigation infrastructure on certain property owned by the Office of Hawaiian Affairs.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation.

Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that this measure is intended to address the irrigation of state-owned agricultural lands in the Central Oahu and North Shore areas. Your Committee further finds that the maximum agricultural use of those prime agricultural lands depends on an adequate supply of irrigation water. Accordingly, your Committee acts favorably 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 concurs with the intent and purpose of S.R. No. 88 and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1454 Ways and Means on S.C.R. No. 59

The purpose and intent of this measure is to address state contracts with women-, veteran-, and Native Hawaiian-owned businesses.

More specifically, this measure:

- (1) Urges state departments and agencies to duly consider women-, veteran-, and Native Hawaiian-owned businesses when awarding state contracts; and
- (2) Requests certain state departments to submit to the Legislature, no later than October 1, 2017, a list of its state contracts awarded to women-, veteran-, and Native Hawaiian-owned businesses in the last two years.

Your Committee received written comments in support of this measure from the Department of Transportation; State Procurement Office; Office of Veterans' Services; AMEL Technologies, Inc.; and one individual.

Your Committee finds that this measure represents a reasonable effort to promote the awarding of state contracts to women-, veteran-, and Native Hawaiian-owned businesses. Accordingly, your Committee supports 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 concurs with the intent and purpose of S.C.R. No. 59, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1455 Ways and Means on S.C.R. No. 114

The purpose and intent of this measure is to urge the United States Senate to adopt Senate Resolution 51 (115th Congress) and protect and preserve collective bargaining rights and the civil service system for harmonious labor-management relations.

Your Committee received written comments in support of this measure from ILWU Local 142; Hawaii Government Employees Association; United Public Workers, AFSCME, Local 646, AFL-CIO; and one individual.

On February 6, 2017, United States Senator Mazie Hirono introduced Senate Resolution 51. The Resolution opposes efforts to reduce federal workforce pay and benefits, eliminate civil service employment protections, undermine collective bargaining, and increase the use of non-federal contractors for inherently governmental activities. Senate Resolution 51 is a response to the funding cuts proposed by the current President of the United States.

Your Committee agrees with the sentiments of Senator Hirono and Senate Resolution 51. Accordingly, your Committee supports 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 concurs with the intent and purpose of S.C.R. No. 114, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1456 Commerce, Consumer Protection, and Health on H.B. No. 177

The purpose and intent of this measure is to prohibit associations of apartment owners, boards of directors, managing agents, resident managers, condominium owners, and persons acting on behalf of associations or condominium owners from retaliating or discriminating against a condominium owner, board member, managing agent, resident manager, or association employee who files a complaint; acts in furtherance of a complaint, report, or investigation of an alleged violation of the State's condominium laws or a condominium's governing documents; or exercises or attempts to exercise any right as a condominium owner.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners, Associa, and one individual. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that although many condominium owners are comfortable raising condominium-related complaints or concerns to their association, its board, a managing agent, or a resident manager, this experience is not universal. Furthermore, condominium owners, minority members of a condominium board, or association employees who are not comfortable bringing up complaints or concerns may fail to do so because of a fear of retaliation. Accordingly, this measure strengthens protections by prohibiting condominium associations, boards, managing agents, resident managers, other owners, and persons acting on behalf of an association or condominium owner from retaliating or discriminating against a condominium owner, board member, managing agent, resident manager, or association employee who files a complaint, acts in furtherance of a complaint, report, or investigation of an alleged violation, or exercises or attempts to exercise any right as a condominium owner.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2070, 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 177, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 177, 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, 7. Noes, none. Excused, none.

SCRep. 1457 Commerce, Consumer Protection, and Health on H.B. No. 558

The purpose and intent of this measure is to repeal section 325-15, Hawaii Revised Statutes, which requires United States citizens or nationals to submit a medical examination report to the Department of Health within sixty days of returning to the State after five years' residence in any United States territory or possession, or any foreign country, with a high occurrence of infectious and communicable diseases.

Your Committee received testimony in support of this measure from the Department of Health.

Your Committee finds that the current mandatory testing for infectious and communicable diseases for United States citizens and nationals returning from certain areas after absences of five or more years does not help control tuberculosis, is costly to maintain, and is impractical to enforce. Your Committee notes testimony submitted by the Department of Health that indicates the mandatory testing of infectious and communicable diseases has never truly been implemented since its enactment in 1978, and that no other state in the country has legislation similar to Hawaii that requires such testing. Your Committee further finds that knowledge of the epidemiology of tuberculosis has improved significantly since mandatory testing was established in 1978, and that current data indicates very few, if any, contagious tuberculosis cases would be identified through the current mandated testing.

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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 558, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 558, 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, 7. Noes, none. Excused, none.

SCRep. 1458 Commerce, Consumer Protection, and Health on H.B. No. 1299

The purpose and intent of this measure is to authorize pharmacies to provide customized patient medication packages to patients of an institutional facility or members of the public under certain conditions.

Your Committee received testimony in support of this measure from the Walgreen Company, Hawaii Pharmacists Association, and six individuals. Your Committee received comments on this measure from the State Council on Developmental Disabilities and Hawaii Medical Service Association.

Your Committee finds that failure to take medication as prescribed may hinder positive patient outcomes. According to testimony submitted by the Hawaii Pharmacists Association, a 2008 Medco Health Solutions report indicated that fifty-one percent of insured patients nationwide take at least one medication for a chronic condition, yet as many as half of patients do not take the medications as prescribed, according to some estimates. Furthermore, the Network for Excellence in Health Innovation reports that poor adherence to prescribed medications is one of the drug related problems that is responsible for up to thirteen percent of healthcare expenditures, or \$290,000,000,000 annually in unnecessary healthcare costs. Your Committee finds that this measure will help address this issue by assisting certain patients with maintaining better compliance with their prescription medication regimen.

Your Committee has amended this measure by inserting an effective date of July 1, 2070, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1299, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1299, 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, 7. Noes, none. Excused, none.

SCRep. 1459 Judiciary and Labor on H.B. No. 1235

The purpose and intent of this measure is to authorize the use of the Uniform Family Law Arbitration Act to resolve certain family law and child-related disputes.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that state laws vary when it comes to arbitrating family law matters and the purpose of the Uniform Family Law Arbitration Act is to lay a foundation for arbitration of family law issues and standardize the arbitration of those matters. This measure adopts the Uniform Family Law Arbitration Act to provide an alternative means to settle or resolve family law disputes outside of court.

Your Committee notes the comments submitted by the Department of the Attorney General regarding a potential conflict between the process established in this measure to modify a confirmed award or judgment and the Department's requirements under federal law to review and modify child support orders for children receiving Temporary Assistance for Needy Families or by request from either parent.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General that clarifies that if a party requests a modification of a confirmed award or judgment, the parties shall proceed under a dispute-resolution method specified in the award of judgment unless otherwise authorized under state or federal law;
- (2) Inserting an effective date of January 7, 2059, 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. 1235, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1235, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1460 Judiciary and Labor on H.B. No. 1516

The purpose and intent of this measure is to:

- (1) Allow any duly incorporated humane society or duly incorporated society for the prevention of cruelty to animals that is holding an impounded pet animal or equine animal to file a petition for forfeiture of that animal prior to the filing of any criminal charge that may arise from the circumstances supporting the impoundment; and
- (2) Require the petitioner to serve a true copy of the petition for forfeiture upon the owner or custodian of the impounded animal, rather than defendant, and the prosecuting attorney.

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; and thirty-three individuals. Your Committee received testimony in opposition to this measure from the American Kennel Club, Shetland Sheepdog Club of Hawaii, Obedience Training Club of Hawaii, West Oahu Kennel Club, Pacific Pet Alliance, and thirteen individuals.

Your Committee finds that existing law allows a duly incorporated humane society or duly incorporated society for the prevention of cruelty to animals that is holding an impounded pet animal or equine animal to file a petition for forfeiture of that animal prior to the final disposition of a criminal charge of certain offenses. However, the final disposition of rescued animals can be delayed while preparing for a criminal case, especially when large numbers of animals are involved. This delay can impose extraordinary costs and strains upon the incorporated humane society or incorporated society that is tasked with the care of the animals; postpone the full recovery of the animals that are being held unnecessarily; and prevent the adoption of the rescued animals. This measure allows incorporated humane societies or duly incorporated societies to petition for forfeiture prior to the filing of any criminal charge that may arise from the circumstances supporting the impoundment to expedite the adoption of impounded animals and decrease the costs of caring for these animals.

Your Committee notes that this measure applies only to pet animals and equine animals, which are terms that are defined under section 711-1100, Hawaii Revised Statutes. Your Committee further notes that this measure applies only to pet animals or equine animals that are impounded pursuant to section 711-1109.1, Hawaii Revised Statutes, based on a violation of the offense of cruelty to animals in the first degree, cruelty to animals in the second degree, cruelty to animals by fighting dogs in the first degree, or cruelty to animals by fighting dogs in the second degree. Thus, an incorporated humane society holding an impounded animal pursuant to section 711-1109.1, Hawaii Revised Statutes, is limited by statute to only filing a petition for forfeiture of the animal for circumstances arising from the violation of any of these certain offenses.

Accordingly, your Committee has amended this measure by:

- (1) Adding clarifying language to distinguish between a petition filed for the forfeiture of a pet animal or equine animal before the filing of a specific criminal charge that arises from the impoundment and a forfeiture petition filed prior to the final disposition of a certain criminal charge, and making conforming amendments to section 711-1109.2, Hawaii Revised Statutes, to reflect the clarifying language;
- (2) Adopting the language submitted by the Hawaiian Humane Society that allows a pet animal or equine animal to be destroyed by the petitioner prior to final disposition of certain criminal charges if the pet animal or equine animal is a danger to itself or others;
- (3) Adopting the language submitted by the Department of the Prosecuting Attorney of the City and County of Honolulu that clarifies that an acquittal or dismissal in a criminal proceeding does not preclude civil proceedings under chapter 711, Hawaii Revised Statutes; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1516, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1516, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1461 Judiciary and Labor on H.B. No. 459

The purpose and intent of this measure is to:

- (1) Require the Chief of Police to notify certain agencies within twenty-four hours when a firearm permit application is denied because the applicant is prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law;
- (2) Require the Chief of Police to notify the court that issued a protective or restraining order of a firearm permit applicant within twenty-four hours of the denial of the permit because of that order; and
- (3) Require the Department of Public Safety to notify the probation or parole officer of a firearms permit applicant, if applicable, upon notification of a firearms permit denial because of a prior criminal conviction.

Your Committee received testimony in support of this measure from the Police Department, City and County of Honolulu; Every Town for Gun Safety; Moms Demand Action for Gun Sense in America; and seventeen individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that a robust regulatory framework for firearm ownership is essential to protecting the public health, safety, and welfare. This measure provides a regulatory framework that includes identification of individuals who attempt to apply for and are denied a permit because they are prohibited from owning, possessing, receiving, or controlling a firearm under federal or state law.

Your Committee notes the concerns raised in written testimony submitted by the City and County of Honolulu Police Department that the twenty-four-hour time frame to send notice is not realistic and noted the Department's preference for the time frames under S.B. No. 1037, S.D. 2 (Regular Session of 2017). Furthermore, the Department raised concerns in oral testimony regarding what types of notice are required to be sent when a firearm permit is denied.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that when a firearm permit application is denied because an applicant is prohibited from owning, possessing, receiving, or controlling firearms under federal or state law, the Chief of Police is required to send notice to certain persons within ten business days from the date of denial, rather than twenty-four hours of the denial;
- (2) Clarifying that if a firearm permit was denied because the applicant is subject to a protective or restraining order, then the Chief of Police is required to send notice to the court that issued the order within three business days from the date of denial, rather than twenty-four hours of the denial;
- (3) Clarifying that the notice regarding the denial of a firearm permit application is a written notice;
- (4) Inserting an effective date of January 7, 2059, 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 H.B. No. 459, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 459, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1462 Ways and Means on H.B. No. 471

The purpose and intent of this measure is to promote the judicious use of moneys in the Emergency and Budget Reserve Fund.

More specifically, the measure prohibits the Legislature from appropriating from the Emergency and Budget Reserve Fund:

- (1) More than fifty percent of the balance of the fund in a single fiscal year;
- (2) Any amount exceeding ten percent of the total discretionary funds appropriated by the Legislature in the same fiscal year for which Emergency and Budget Reserve Fund moneys are appropriated; and
- (3) For a succeeding fiscal year, unless the State has collected or is projected to collect less tax revenue in the current fiscal year compared to the immediately preceding fiscal year.

The Pew Charitable Trusts submitted comments in support of this measure. The Department of Budget and Finance and Tax Foundation of Hawaii submitted comments on this measure.

Your Committee recognizes that while it may be appropriate to use some Emergency and Budget Reserve Fund moneys when a budgetary emergency occurs, care must be taken to ensure that the Emergency and Budget Reserve Fund is not depleted all at once. Accordingly, your Committee believes that when a budgetary emergency occurs, it is as important to take steps to examine expenditures to reduce costs as it is to rely upon rainy day funds to allow for continued expenditures at current levels. Your Committee finds that this measure will provide the means to control the amount of moneys that may be appropriated from the Emergency and Budget Reserve Fund during a budgetary emergency.

Your Committee has amended this measure by:

- (1) Specifying that the Legislature is prohibited from appropriating from the Emergency and Budget Reserve Fund, to expend for discretionary costs in a fiscal year, an amount that exceeds ten percent of the discretionary funds appropriated by the Legislature for the same fiscal year for which Emergency and Budget Reserve Fund moneys are appropriated;
- (2) Amending the definition of the term "discretionary funds" to mean the total amount of general fund moneys appropriated or authorized by the Legislature, less non-discretionary funds;
- (3) Inserting a definition of the term "non-discretionary funds," which means the total amount of general fund moneys appropriated or authorized by the Legislature for expenditure during the fiscal year for:

- (A) Debt service payments for general obligation bonds;
 - (B) Employer contributions for pension and retirement benefits of state government employees;
 - (C) Employer contributions for health insurance benefits of state government employees and state government retirees; and
 - (D) Medicaid service costs; 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. 471, H.D. 1, as amended herein, and recommends 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 Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1463 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1499

The purpose and intent of this measure is to:

- (1) Clarify that a condominium association does not have to rescind the notice of default and intention to foreclose or restart the foreclosure by filing a new notice of default and intent to foreclose if a unit owner defaults on a payment plan to cure a nonjudicial foreclosure agreed to by the parties;
- (2) Specify that if a unit owner and an association have agreed on a payment plan to prevent a nonjudicial foreclosure from proceeding, any association fines imposed while the payment plan is in effect shall not be deemed a default under the payment plan;
- (3) Clarify the obligations of a unit owner and an association while a unit owner is not otherwise in default under a payment plan;
- (4) Clarify that the pay first, dispute later provisions in Hawaii's condominium law apply only to common expense assessments claimed by an association of apartment owners;
- (5) Specify that a unit or apartment owner who disputes the amount of an assessment may request a written statement about the assessment from the association, including that a unit or apartment owner may demand mediation prior to paying contested charges, other than common expense assessments;
- (6) Specify requirements for mediation on contested charges, except for common expense assessments;
- (7) Expand the scope of the condominium education trust fund to cover voluntary binding arbitration; and
- (8) Amend the conditions that mandate mediation and exceptions to mandatory mediation.

Your Committees received testimony in support of this measure from Associa Hawaii and one individual. Your Committees received testimony in opposition to this measure from the Association of Unit Owners Kipuka at Hoakalei, The Maui Lani Community Association, and twenty-six individuals. Your Committees received comments on this measure from the Real Estate Commission.

Your Committees find that it is important to have clear and effective laws related to association foreclosures against condominium owners, including which actions successfully cure a default. Your Committees further find that a condominium owner and an association agreeing to a payment plan is not sufficient to cure a default; the delinquency must be paid in full to cure a nonjudicial foreclosure on a condominium. Your Committees also find that it is important to preserve the pay first, dispute later provision in existing law, as it applies to common expense assessments, but your Committees support encouraging the use of mediation for all other penalties or fines, late fees, lien filing fees, or other charges in an assessment.

Your Committees have amended this measure by inserting an effective date of January 7, 2059, 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. 1499, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1499, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.
Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1464 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1536

The purpose and intent of this measure is to:

- (1) Clarify that the Board of Agriculture has the power to acquire property by eminent domain for the construction and maintenance of water facilities that convey, distribute, and transmit water for agricultural uses that are in addition to irrigation, but not allow eminent domain for purposes of domestic use; and
- (2) Amend the definition of "public utility" in chapter 269, Hawaii Revised Statutes, to exclude:
 - (A) Any person who controls, operates, or manages plants or facilities developed for conveying, distributing, and transmitting non-potable water, and any irrigation project established pursuant to chapter 167, Hawaii Revised Statutes; and
 - (B) Any board of water supply that manages, controls, and operates the waterworks of a county for the purpose of supplying water to the public in that county.

Your Committees received testimony in support of this measure from the Department of Agriculture, City and County of Honolulu Board of Water Supply, County of Kaua'i Department of Water, Land Use Research Foundation of Hawaii, Hawai'i Farm Bureau, Maui Chamber of Commerce, Maui County Farm Bureau, East Kauai Water Users' Cooperative, Kalepa Coalition, Saiva Siddhanta Church, and three individuals. Your Committees received testimony in opposition to this measure from the Sierra Club of Hawai'i and one individual. Your Committees received comments on this measure from the Public Utilities Commission, Department of Commerce and Consumer Affairs Division of Consumer Advocacy, and Office of Hawaiian Affairs.

Your Committees find that there are many non-potable water systems across the State that provide non-potable water for agricultural purposes. There is concern that Public Utilities Commission regulations intended for privately owned utilities may be applied to state-owned agricultural irrigation systems overseen by the State's Commission on Water Resource Management. Your Committees find that this measure clarifies state law in alignment with policies currently followed by the Department of Agriculture and Public Utilities Commission.

Your Committees have amended this measure by:

- (1) Clarifying that any irrigation project operated pursuant to chapter 167, Hawaii Revised Statutes, is excluded from the definition of "public utility";
- (2) Removing proposed language that would have excluded any board of water supply that manages, controls, and operates the waterworks of a county for the purpose of supplying water to the public in that county from the definition of "public utility"; and
- (3) Inserting an effective date of January 7, 2059, 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. 1536, H.D. 2, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1536, H.D. 2, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, none.

Ways and Means: Ayes, 8; Ayes with Reservations (Riviere). Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1465 Judiciary and Labor on H.B. No. 606

The purpose and intent of this measure is to authorize the counties, through their employees or authorized agents, to enter private property to control or eradicate invasive species and pests.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Office of the Mayor, County of Hawai'i; Hawai'i Association of REALTORS; Hawai'i Farm Bureau; and nine individuals. Your Committee received comments on this measure from The Humane Society of the United States.

Your Committee finds that invasive species and pests are a persistent and real threat to the State. Invasive species and pests can swiftly and permanently alter the ecosystem of the State if not effectively eradicated. To ensure the rapid and complete removal of such species and pests, it is essential to allow the counties through their employees or authorized agents to have authority to enter onto private property with sufficient notice, similarly to existing law authorizing members of the Department of Agriculture and its agents, to control or eradicate invasive species and pests when it is determined to be necessary.

Your Committee has amended this measure by:

- (1) Clarifying which agents are authorized to enter private property to control or eradicate invasive species for the purpose of consistency; and
- (2) Inserting an effective date of January 7, 2059, 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. 606, 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. 606, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1466 Judiciary and Labor on H.B. No. 1027

The purpose and intent of this measure is to amend the nonprofit corporations law to:

- (1) Restore procedures that allow nonprofit corporations to convert into and out of domestic nonprofit corporations;
- (2) Impose a duty of loyalty on directors and officers of nonprofit corporations; and
- (3) Increase the length of time the Attorney General has to review proposed dissolutions of public benefit corporations.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Association of Fundraising Professionals Aloha Chapter, Hawai'i Alliance of Nonprofit Organizations, and one individual.

Your Committee finds that Act 37, Session Laws of Hawaii 2012 (Act 37), repealed a provision in the Hawaii Revised Statutes that allowed a domestic nonprofit corporation to convert to a foreign corporation or any other business entity. In hindsight, Act 37 went too far, as it effectively prevented domestic nonprofit corporations from converting to foreign nonprofit corporations. This measure restores the provision that allows nonprofit corporations to convert into and out of domestic nonprofit corporations, establishes the procedure for conversion, and specifies the effects of a conversion.

Your Committee further finds that although directors of nonprofit corporations have a duty of loyalty at common law, existing statute does not expressly recognize such a duty of loyalty. Accordingly, this measure establishes a duty of loyalty for directors and officers of nonprofit corporations.

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. 1027, 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. 1027, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1467 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1130

The purpose and intent of this measure is to allow corrections agencies to subject employees or prospective employees to lie detector tests and psychological tests without constituting discriminatory employment practices.

Your Committees received testimony in support of this measure from the Department of Public Safety and one individual.

Your Committees find that the hiring of high-quality employees, particularly in corrections agencies, is vital to protecting the health, safety, and welfare of the public. This measure allows corrections agencies to require employees or prospective employees to submit to a lie detector test or psychological test as a condition of employment or continued employment to increase the quality of employees.

Your Committees have amended this measure by inserting an effective date of January 7, 2059, 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. 1130, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1130, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1468 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1179

The purpose and intent of this measure is to:

- (1) Expand the types of rental housing projects that may be exempt from general excise taxes; and
- (2) Allow the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of the Mayor of the County of Hawai'i, Hawaii Housing Finance and Development Corporation, Land Use Research Foundation of Hawaii, Hawai'i Construction Alliance, and Pacific Resource Partnership. Your Committees received comments on this measure from the Department of Taxation, Hawaii Community Development Authority, General Contractors Association of Hawaii, and Tax Foundation of Hawaii.

Your Committees find that the State is experiencing a critical shortage of affordable housing. Your Committees further find that private sector construction and development entities have taken steps to improve the economics of building and operating rental housing in Hawaii. This measure supports private development entities that provide affordable housing units by expanding the types of projects that may be exempt from general excise taxes.

Your Committees have amended this measure by:

- (1) Replacing "special prevailing wage" with "section 201H-36(a)(5) prevailing wages";
- (2) Specifying that prevailing wages are prevailing wages under contracts pursuant to section 201H-36(a)(5), Hawaii Revised Statutes, ("section 201H-36(a)(5) prevailing wages"), rather than requiring that the terms of the collective bargaining agreement be deemed the prevailing wages;
- (3) Stipulating that the qualified person or firm approved and certified for exemption from general excise taxes has not received other financing from any governmental contracting agency, including the Hawaii Housing Finance and Development Corporation, in order for the terms of the section 201H-36(a)(5) prevailing wages to be deemed the prevailing wages serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for work on the project;
- (4) Deleting the stipulation that the collective bargaining agreement be properly submitted to the Director of Labor and Industrial Relations under section 104-34, Hawaii Revised Statutes, in order for the terms of the section 201H-36(a)(5) prevailing wages to be deemed the prevailing wages serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for work on the project; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 1179, 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. 1179, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1469 Ways and Means on H.B. No. 599

The purpose and intent of this measure is to update the Hawaii State Planning Act.

More specifically, this measure amends the Hawaii State Planning Act by:

- (1) Prioritizing affordable rental and for sale housing opportunities available to extremely low-, very low-, lower-, moderate, and above moderate-income residents;
- (2) Requiring each state agency to periodically update the functional plan for the functional area for which it is responsible;
- (3) Requiring a lead state agency, with the concurrence of the Governor, to establish the advisory committee for each functional plan, and making the committee a temporary advisory body; and
- (4) Amending the functional plan advisory committee nomination process.

Your Committee received written comments in support of this measure from the Office of Planning.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs and the Land Use Research Foundation of Hawaii.

Your Committee finds that housing is considered “affordable” when a household spends less than thirty percent of its income on shelter and utilities. Housing costs in Hawaii are among the highest in the nation, and residents, especially low income residents, face a challenge in establishing and remaining in affordable housing. Your Committee believes that the State should continue to focus its efforts on developing, promoting, and stimulating the affordable housing market.

Your Committee has amended this measure by:

- (1) Making the measure effective upon its approval; and
- (2) Making a technical nonsubstantive amendment for the purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 599, 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. 599, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1470 Ways and Means on H.B. No. 591

The purpose and intent of this measure is to update the law relating to the capital infrastructure tax credit for taxable years beginning after December 31, 2016.

More specifically, the measure:

- (1) Amends the definition of “capital infrastructure costs” by:
 - (A) Including expenditures for structures, machinery, equipment, and capital assets, which has the effect of including those expenditures among the costs for which a taxpayer may claim the tax credit;
 - (B) Restricting recognized expenditures to those costs relating to a taxpayer’s move of a trade or business within Honolulu Harbor; and
 - (C) Excluding costs for which amounts are received in any form from the State;
- (2) Increases the maximum amount of credit available to each eligible taxpayer from \$1,250,000 to \$2,500,000 per taxable year;
- (3) Provides that if costs exceed the foregoing credit cap for any taxable year, the costs may be carried over to the subsequent years until exhausted, subject to certain limitations;
- (4) Provides that the distribution and share of the tax credit for a partnership may be determined notwithstanding section 706(d) of the Internal Revenue Code;
- (5) Requires the recapture of a credit if the taxpayer fails to relocate within ninety days after the execution of a lease with the Department of Transportation; and
- (6) Requires a taxpayer claiming the credit to timely submit certain information annually to the Department of Taxation, and subjects the taxpayer to a reduction of the credit and monetary penalties for failing to provide the information.

The Chamber of Commerce Hawaii, Navatek, and fourteen individuals submitted comments in support of this measure. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that Hawaii’s capital infrastructure tax credit law was enacted in 2014 to reduce the financial burden imposed on businesses facing relocation costs as a result of the development of a new overseas container terminal and piers at the lower Kapalama military reservation site. Your Committee believes that the amendments to existing law, as proposed by this measure, will enable businesses to make full use of the credit as originally intended by the Legislature.

Your Committee has amended this measure by:

- (1) Replacing each instance of the term “qualified infrastructure tenant business” with the defined term “qualified infrastructure tenant”;
- (2) Correcting the reference to section 706(d) of the Internal Revenue Code by replacing it with a reference to section 706 of the Internal Revenue Code; and
- (3) Requiring that within thirty days after each fiscal year, moneys shall be transferred from the harbor special fund to the Director of Finance for deposit into the general fund, in an amount equal to the aggregate capital infrastructure tax credits properly claimed by taxpayers during that fiscal year, as calculated by the Director of Taxation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 591, 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. 591, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1471 Ways and Means on H.B. No. 1402

The purpose and intent of this measure is to provide government employees greater flexibility to donate vacation leave credits to another employee who has, or whose family member has, a serious personal illness or injury.

Specifically, the measure:

- (1) Requires each state government branch to establish a leave sharing program for its employees to donate vacation leave to other state employees and develop program rules;
- (2) Precludes a state government branch from prohibiting leave sharing between different departments or bargaining units because of administrative infeasibility;
- (3) Clarifies that an employee’s designation of beneficiary statement may be filed with the department in which the employee is employed and eliminates the requirement that it be a verified written statement; and
- (4) Authorizes the chief executive of a county to establish a leave sharing program for county employees.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association and Hawaii State Teachers Association.

Written comments in opposition were received from the Department of Human Resources Development.

Your Committee finds that shared leave programs operated across each branch of state government would significantly expand the pool of eligible leave donors, allow more employees to participate, and promote uniformity and fairness in program implementation.

Your Committee has amended this measure by making technical nonsubstantive changes 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. 1402, 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. 1402, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1472 (Joint) Ways and Means and Judiciary and Labor on H.B. No. 1382

The purpose and intent of this measure is to assist small businesses in the procurement process.

More specifically, the measure:

- (1) Establishes a three-year small business assistance initiative within the State Procurement Office to facilitate the collection and development of relevant data and information and convene stakeholders for the development of an effective small business program, including the development of rules;
- (2) Establishes, as part of the small business assistance initiative:
 - (A) A small business advisory group, which is responsible for meeting regularly and making relevant recommendations;
 - (B) The position of small business procurement coordinator within the State Procurement Office; and
 - (C) A small business office within the State Procurement Office; and
- (3) Appropriates unspecified sums from the general revenues of State to assist small business.

The State Procurement Office; Small Business Regulatory Review Board; Office of Veterans’ Services, Department of Defense; and Chamber of Commerce Hawaii submitted comments in support of the measure. The American Council of Engineering Companies of Hawaii submitted comments on the measure.

Your Committees find that small businesses are the lifeblood of the State’s economy. Your Committees believe that the State’s economy would benefit from the creation, development, and implementation of strategies to ensure that small businesses, including businesses owned by veterans, native Hawaiians, and women, are able to effectively participate in small business contracting

opportunities. Your Committees also find that the State Procurement Office is able to assist small businesses in obtaining state contracts, a process that may be facilitated by the creation of the small business assistance initiative established by this measure.

Your Committees have amended this measure by:

- (1) Amending its findings and purpose section to conform the citation style to the Hawaii Administrative Rules to recommended drafting conventions and to clarify that multiple relevant rules went into effect in 2007;
- (2) Clarifying that the small business advisory group shall consist of members from agencies, entities and businesses;
- (3) Clarifying how and when the small business advisory group shall submit its recommendations;
- (4) Correcting a reference to section 103D-906, Hawaii Revised Statutes; and
- (5) 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 H.B. No. 1382, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1382, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

SCRep. 1473 (Joint) Ways and Means and Judiciary and Labor on H.B. No. 423

The purpose and intent of this measure is to promote a diversified economy in the State by encouraging film and digital media production.

More specifically, the measure:

- (1) Extends, for an additional five years, the enhanced incentives of the motion picture, digital media, and film production income tax credit that were enacted pursuant to Act 89, Session Laws of Hawaii 2013;
- (2) Clarifies that qualifying production costs are those costs incurred and expended within the State;
- (3) Specifies that taxpayers claiming the tax credit are required to prequalify for the credit, by registering with the Film Office of the Department of Business, Economic Development, and Tourism, and are required to obtain certification from the Film Office;
- (4) Specifies that the Department of Business, Economic Development, and Tourism reporting requirement regarding fiscal impact to the State entails reporting on those film productions receiving the tax credit;
- (5) Specifies that to qualify for the tax credit, a production must provide evidence of recognition, ability to understand, and efforts to respect and comply with cultural and environmental sensitivities in sensitive locations, including employing or contracting for the services of cultural resources or historical, cultural, or language experts to advise the production;
- (6) Specifies that to qualify for the tax credit, a production must agree that if the production claims a credit of more than \$8,000,000, the production will provide an advanced screening of the finished product in the county of the island in which the majority of the production took place; and
- (7) Specifies that a taxpayer's failure to submit a written, sworn statement to the Department of Business, Economic Development, and Tourism regarding the production may constitute a waiver of the right to claim the tax credit.

Your Committees received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; County of Hawaii; Hawaii State AFL-CIO; ILWU Local 142; Island Film Group; SAG-AFTRA Hawaii; I.A.T.S.E. Local 665; American Federation of Musicians' Local 677; Hawaii Teamsters and Allied Workers Local 996; NBC Universal Media, LLC; and one individual.

Your Committees received written comments on this measure from the Department of Taxation; Office of the Auditor; and Tax Foundation of Hawaii.

Your Committees find that the film and television industry is a significant economic driver for the State, both in the numerous high-quality jobs that large productions entail and in the positive media image projected around the globe of Hawaii as a tourist destination. Your Committees recognize that many film and television producers from outside of the State must select filming locations long in advance of production, and consequently, the approaching sunset date of the motion picture, digital media, and film production income tax credit may deter producers from selecting Hawaii as their production location.

Your Committees have amended this measure by establishing an annual aggregate cap of \$30,000,000 on the tax credit and allowing a taxpayer to claim all or part of the credit in a subsequent year if the aggregate cap has been reached in the year for which the taxpayer was eligible to claim the credit.

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 H.B. No. 423, 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. 423, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

SCRep. 1474 Ways and Means on H.B. No. 588

The purpose and intent of this measure is to support the He'eia estuary in its designation as a National Estuarine Research Reserve.

Specifically, this measure:

- (1) Appropriates \$400,000 from an unspecified special fund for the initial funding of four full-time equivalent positions within the University of Hawaii to develop and manage the He'eia Reserve and its programs; and
- (2) Authorizes the Department of Land and Natural Resources, Attorney General, and Auditor to review and inspect various records of contractors and third parties who receive funds appropriated by the measure.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; Hawaii Community Development Authority; Office of Planning; University of Hawaii; The Nature Conservancy; Democratic Party of Hawaii; Hawaiian Affairs Caucus; Koolaupoko Hawaiian Civic Club; Ko'olau Foundation; Kamehameha Schools; and twelve individuals.

Your Committee received comments on this measure from the Hawaii Institute of Marine Biology and three individuals.

Your Committee finds that the National Estuarine Research Reserve System partners with states and territories to ensure long-term education, stewardship, and research regarding estuarine habitats. In January 2017, He'eia estuary was designated as the 29th National Estuarine Research Reserve. Your Committee further finds an appropriation of funds for positions to develop and manage He'eia Reserve and its programs will generate scientific information necessary for policy decision-making and increase support for research, education, and restoration in the region.

Your Committee has included a \$240,800 general fund appropriation for 2.64 full-time equivalent permanent positions in both fiscal years of the biennium for He'eia Reserve within the Senate's version of the General Appropriations Act of 2017, H.B. No. 100, H.D. 1, S.D. 1.

Your Committee has amended this measure by:

- (1) Changing the means of financing from an unspecified special fund to the general revenues of the State of Hawaii;
- (2) Changing the appropriation from \$400,000 to an unspecified amount;
- (3) Changing the number of positions established from 4.00 FTE to an unspecified number;
- (4) Deleting language specifically describing the positions to be established; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 588, 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. 588, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1475 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1229

The purpose and intent of this measure is to require the listing of joint contractors and subcontractors only for construction contracts with a total minimum value of an unspecified amount; provided that a construction bid that does not comply with this requirement may be accepted if it is in the best interest of the State and the value of the work to be performed by a subcontractor is equal to or less than an unspecified percentage of the total bid amount.

Your Committees received testimony in support of this measure from the Building Industry Association of Hawaii; General Contractors Association of Hawaii; Hawaii Operating Engineers Industry Stabilization Fund; Alan Shintani Inc.; Hawaiian Dredging Construction Company, Inc.; Healy Tibbetts Builders, Inc.; Isemoto Contracting Co., Ltd.; Jayar Construction, Inc.; LYZ, Inc.; Nordic PCL Construction, Inc.; Ralph S. Inouye Co., Ltd.; Royal Contracting Co., Ltd.; and TOMCO Corp. Your Committees received testimony in opposition to this measure from the State Procurement Office; Subcontractors Association of Hawaii; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; Carpet Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; and Plumbing and Mechanical Contractors Association of Hawaii. Your Committees received comments on this measure from the Department of Accounting and General Services and Department of Transportation.

Your Committees find that the execution and completion of public works projects are often delayed due to bid protests by non-lowest bidders challenging technical mistakes in the lowest bidder's proposal, including where a bidder has failed to list a required subcontractor or when a listed subcontractor did not possess the appropriate license and was not qualified to perform the work. Section 103D-302, Hawaii Revised Statutes, requires that all subcontractors and joint contractors to be used on a public works project be listed, along with their scope of work on the bid proposal submitted to any state or county agency subject to the procurement code. Your Committees find that this measure intends to reduce the number of subcontractors that must be listed in a bid proposal, thereby reducing the number of opportunities to challenge bids on the basis of subcontractor listing errors and increasing the efficiency of the bid process.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1229, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.
 Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1476 Judiciary and Labor on H.B. No. 1028

The purpose and intent of this measure is to:

- (1) Clarify the Attorney General's regulatory authority over charitable organizations and charitable assets;
- (2) Establish procedures for deactivations of registrations for charities no longer operating in Hawaii;
- (3) Clarify requirements for financial reports for solicitation campaigns and charitable organizations' annual reports; and
- (4) Make housekeeping amendments related to exemptions from registration and reporting requirements.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Association of Fundraising Professionals Aloha Chapter, and Hawai'i Alliance of Nonprofit Organizations.

Your Committee finds that, as currently drafted, this measure makes several amendments to the State's law governing charitable organizations and activities, including:

- (1) Adding a definition of "property", as that term relates to the protection of charitable assets;
- (2) Specifying procedures for deactivations of registrations for charitable organizations; and
- (3) Clarifying requirements and procedures for the filing of financial and annual reports.

This measure also assists the Department of the Attorney General in its oversight of charitable organizations and fundraising activities and clarifies regulatory procedures for the nonprofit sector.

As affirmed by the record of votes of the members 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. 1028, 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 (Gabbard, Thielen).

SCRep. 1477 Ways and Means on H.B. No. 918

The purpose and intent of this measure is to increase the efficiency and quality of Hawaii's early intervention services for infants and toddlers with special needs, by appropriating funds for a web-based data system in the Department of Health's Early Intervention Section.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, State Council on Developmental Disabilities, Special Education Advisory Council, Early Childhood Action Strategy, Hawaii Children's Action Network, and Hawaii Early Intervention Coordinating Council.

Your Committee received written comments on this measure from the Department of Health.

Your Committee finds that the current data system used by the Department of Health's Early Intervention Section is antiquated, lacking the web-based capability for real-time access to data, access from multiple locations, service documentation, report generation, quality assurance, and billing functions. Your Committee further finds that a web-based system will minimize time spent on completing paperwork, provide more efficiency, and most importantly, will enable providers to maximize time spent in providing direct services to clients.

If this bill moves forward into a Committee on Conference, your Committee respectfully requests that the Department of Health determine and recommend the appropriate level of funding required to effectuate this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 918, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
 Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1478 Ways and Means on H.B. No. 937

The purpose and intent of this measure is to appropriate funds for the Executive Office on Early Learning to enter into contracts with third-party providers for family-child interaction learning programs.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, State Public Charter School Commission, Hui for Excellence in Education, Chamber of Commerce Hawaii, Native Hawaiian Education Council, Kamehameha Schools, Parents and Children Together, Hawaii Children's Action Network, and two individuals.

Your Committee notes that the Executive Office on Early Learning has proposed the following amendments to this measure:

- (1) Amending the purpose section to state that the measure appropriates funds for contracts with third-party providers "for the implementation of services which offer opportunities for family and community engagement as well as parent education and support"; and
- (2) Amending the appropriation section to more generally provide that the funds are for contracts with third-party providers "to develop and implement programs", rather than "for family-child interaction learning programs," that support families to take an active role in the social, emotional, and cognitive development of their young children.

Your Committee further notes that these proposed amendments should be considered if the measure is scheduled for Conference.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 937, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1479 Ways and Means on H.B. No. 942

The purpose and intent of this measure is to authorize the State Foundation on Culture and the Arts to commission an artist to design and build a monument to honor and commemorate Filipino veterans of World War II.

Your Committee received written comments in support of this measure from the State Foundation on Culture and the Arts, Office of Veterans' Services, Hawaii Civil Rights Commission, and one individual.

Your Committee finds that establishing a monument to honor and commemorate Filipino veterans of World War II would show Hawaii's gratitude to these veterans, provide a visual reminder of these veterans' unique place in American and global history, and educate the public on the role that minorities played in the outcome of World War II.

Your Committee notes that the State Foundation on Culture and the Arts has suggested that an Art Advisory Committee for the Filipino Veterans Memorial be created.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 942, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1480 Ways and Means on H.B. No. 655

The purpose and intent of this measure is to appropriate funds to support research on controlling the rose-ringed parakeet on Kauai.

More specifically, this measure appropriates funds to the Department of Land and Natural Resources to provide assistance and supplemental funding to the National Wildlife Research Center of the United States Department of Agriculture to:

- (1) Determine an estimate of the current population size of the rose-ringed parakeet on Kauai;
- (2) Locate and map the roost and rookery locations of rose-ringed parakeets on Kauai;
- (3) Describe and map rose-ringed parakeet habitat uses, daily dispersal patterns, and overall range on Kauai;
- (4) Estimate generally the agricultural, commercial, residential, and natural area damage caused by rose-ringed parakeets on Kauai;
- (5) Determine the types of human and wildlife diseases carried by rose-ringed parakeets on Kauai;
- (6) Conduct trials using different devices and methods that will reduce or deter rose-ringed parakeet populations; and
- (7) Develop and implement the beginning of an effective control plan for reducing the negative impacts of the rose-ringed parakeet on Kauai, with an initial reduction target of five hundred birds or an estimated ten percent of the population.

Your Committee received written comments in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Hawaii Invasive Species Council, Hawaii Farm Bureau, Kauai County Farm Bureau, Maui County Farm Bureau, Land Use Research Foundation of Hawaii, Kauai Invasive Species Committee, Coordinating Group on Alien Pest Species, Dow Agrosiences, and five individuals.

Your Committee finds that the rose-ringed parakeet is one of the most widespread invasive birds in the world and is a significant agricultural pest of important food crops. In Hawaii, rose-ringed parakeets have been particularly damaging on Kauai. Your Committee further finds that additional research is needed for the development and preliminary implementation of an effective control plan for rose-ringed parakeets on Kauai.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 655, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1481 Ways and Means on H.B. No. 427

The purpose and intent of this measure is to preserve dark night skies in Hawaii by establishing a dark night skies protection advisory committee.

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; University of Hawaii; Office of the Mayor, County of Hawaii; Conservation Council for Hawaii; and one individual.

Your Committee received written comments on this measure from the Department of Transportation.

Your Committee finds that dark night skies hold important cultural, scientific, astronomical, natural, landscape, and tourism related value. Your Committee further finds that the preservation of Hawaii's dark night skies is essential to the well-being of the State. Your

Committee believes that a dark night skies protection advisory committee is necessary to develop a statewide coordinated strategy to preserve the State's dark night skies.

Your Committee notes that the advisory committee's dissolution date is June 30, 2027, but that the advisory committee is only required to submit reports to the Legislature until the 2021 Regular Session. This issue may need to be addressed if a Conference Committee is convened for this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 427, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1482 Ways and Means on H.B. No. 632

The purpose and intent of this measure is to expand access to and use of the Hawaii Water Infrastructure Loan Program.

Specifically, the measure:

- (1) Makes water utilities eligible to use the loan program; and
- (2) Allows water tanks to be financed by loan program moneys.

Your Committee received written comments in support of this measure from the Department of Agriculture, City and County of Honolulu Board of Water Supply, Ulupono Initiative, and Hawaii Farm Bureau.

Your Committee finds that expanding the Hawaii Water Infrastructure Loan Program to assist water utilities will provide an additional means of financing for waterworks projects, and the potential cost savings from lower interest rates is expected to help keep water rates affordable for water utility customers.

As affirmed by the record of votes of the members of your Committee 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. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1483 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 527

The purpose and intent of this measure is to appropriate funds for establishing, staffing, and operating two mobile clinics to serve the homeless population.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawai'i, Hawaii Psychological Association, The Queen's Health Systems, Hawai'i Pacific Health, and seven individuals. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness and Department of Human Services.

Your Committees find that homelessness continues to be one of the State's most urgent and challenging social problems. Homeless persons face a myriad of issues, including general health issues, mental illness, and substance abuse. Your Committees further find that mobile clinics are increasing in popularity across the nation as government entities find ways to address the health care needs of the homeless population. In places such as Denver, Colorado; Seattle, Washington; and San Jose, California; mobile clinics offer a variety of free healthcare services for local homeless populations, saving significant costs on emergency room visits. Mobile clinics have the potential to similarly provide timely, non-emergency medical care to homeless individuals in Hawaii. The State can help lessen many homeless individuals' illnesses before they become severe by making basic preventative and primary healthcare services more accessible on a mobile outreach basis. This type of service would also reduce the high demand by the homeless for emergency medical services to treat non-emergency conditions, or emergency conditions that could have been prevented.

Your Committees have amended this measure by:

- (1) Updating the purpose section;
- (2) Inserting language to allow the Department of Human Services to procure the mobile clinic services pursuant to chapter 103F, 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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 527, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 527, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Wakai).

SCRep. 1484 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 615

The purpose and intent of this measure is to improve the health and well-being of Hawaii's kupuna by appropriating funds to the Executive Office on Aging for the Healthy Aging Partnership Program.

Your Committees received testimony in support of this measure from the Executive Office on Aging; Elderly Affairs Division of the City and County of Honolulu; County of Kauai, Agency on Elderly Affairs; AARP Hawaii; Hawaii Family Caregiver Coalition; YMCA of Honolulu; Hawaii Chapter of the American Physical Therapy Association; and fifty-two individuals.

Your Committees find that the Healthy Aging Partnership Program aims to improve the health of older adults and empower them to stay healthy, active, and socially engaged. The program serves as an important link between clinical support for patients and community resources for lifestyle change. Your Committees further find that the program operates two evidence-based intervention programs that have demonstrated that older adults with chronic conditions and their caretakers benefit by focusing on self-management as an integral method to avoiding long term complications from chronic conditions. One program is estimated to save participants an average of \$500 per year in healthcare costs, and supports medical treatment plans by teaching participants the skills to manage their health conditions and interact with healthcare providers. The second program is an ongoing exercise program that is estimated to cut participants' yearly healthcare costs almost in half.

Your Committees also find that the Healthy Aging Partnership Program is a worthwhile investment for the State, as preventing disease and disability is far less expensive than resulting health and social services for persons needing treatment. Nationwide, chronic diseases account for eighty-six percent of healthcare costs, and Hawaii spends an estimated \$470,000,000 annually just on obesity-related medical costs. Your Committees note testimony by the Executive Office on Aging that there is no funding to sustain the Healthy Aging Partnership Program beginning in fiscal year 2017-2018 and, without additional funding, the program will no longer be able to offer the existing programs to Hawaii's seniors.

Your Committees have amended this measure by inserting an effective date of July 1, 2095, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 615, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 615, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Wakai).

SCRep. 1485 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 674

The purpose and intent of this measure is to require all child care providers subject to regulation by the Department of Human Services to obtain and maintain liability insurance as a condition of licensure, temporary permission, or registration and disclose insurance-related information to certain parents or guardians.

Your Committees received testimony in support of this measure from sixty-seven individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that through the Department of Human Services, the State regulates and inspects child care facilities to ensure the health and safety of all children in child care. This measure requires child care providers regulated by the Department of Human Services to obtain and maintain liability insurance coverage, which will bring assurance to families who require child care services and allow opportunities for legal recourse for parents whose children are not properly cared for.

Your Committees have amended this measure by:

- (1) Requiring the Department of Human Services to submit a report to the Legislature, no later than twenty days prior to the Regular Session of 2018, on the amount of liability insurance coverage required to be obtained by child care providers, the costs incurred by child care providers and the projected impact these costs may have on the rates charged to consumers, and outreach efforts conducted by the Department to ensure compliance;
- (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 Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 674, 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. 674, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ihara).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1486 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 672

The purpose and intent of this measure is to:

- (1) Formally establish the Hawaii keiki: healthy and ready to learn program;
- (2) Provide funding to expand and sustain the Hawaii keiki: healthy and ready to learn program; and
- (3) Appropriate funds to establish school health service coordinator positions in the Departments of Education, Health, and Human Services to increase coordination and facilitate departmental and interdepartmental activities related to comprehensive school-based health services.

Your Committees received testimony in support of this measure from the Department of Education, Executive Office on Early Learning, State Public Charter School Commission, Project Vision Hawai'i, Hawaii State Teachers Association, Healthcare Association of Hawaii, Kapiolani Child Protection Center, Hawai'i State Center for Nursing, Hawai'i Pacific Health, Hawaii Association of Professional Nurses, Planned Parenthood Votes Northwest and Hawaii, Hui for Excellence in Education, Hawaii Medical Service Association, American Organization of Nurse Executives Hawaii, IMUAlliance, and seventeen individuals. Your Committees received testimony in opposition to this measure from the Hawaii Chapter of the American Academy of Pediatrics and one individual. Your

Committees received comments on this measure from the Department of Health, Department of Budget and Finance, and Hawaii Primary Care Association.

Your Committees find that non-school factors such as chronic absenteeism, poor health, and delayed or limited access to healthcare and preventive services can impede a student's academic success. Your Committees further find that school-based services such as early eye screenings and oral hygiene services for vulnerable keiki in pre-kindergarten through high school can improve academic outcomes and increase children's opportunities for economic achievement.

Your Committees additionally find that the Hawaii keiki: healthy and ready to learn program has expanded access to health services for many of the State's students. Your Committees note the Department of Education's commitment to interdepartmental collaboration to ensure that this program is reflective of the community's needs. Furthermore, the Department of Education has identified data sharing and funding for sustainability as priority action areas necessary for the program to sustain and expand. Your Committees find that an expanded program will be able to offer services in new areas of healthcare that students have not previously had access to in Hawaii's schools.

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, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 672, 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. 672, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Ihara).

Ways and Means: Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1487 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 165

The purpose and intent of this measure is to:

- (1) Require boards to make board packets available for public inspection, provide notice, upon request, of the availability of board packets, and to the greatest extent feasible, require boards to accommodate requests for electronic access to the board packet;
- (2) Require boards to allow oral testimony to be presented on each agenda item separately and at the time the item is first brought up for discussion at the meeting;
- (3) Add emergency meetings to the public meeting notice requirements;
- (4) Require the electronic mailing of meeting notices upon request, require the posting of the notice on the State's or appropriate county's electronic calendar, and clarify posting requirements and potential posting disputes; and
- (5) Require that the written summary that accompanies minutes that are posted as a digital or analog recording include any significant actions taken by the board, such as the motions and votes made by the board.

Your Committees received testimony in support of this measure from the Office of Information Practices, Americans for Democratic Action Hawai'i, Animals Rights Hawai'i, The Civil Beat Law Center for the Public Interest, Common Cause Hawaii, Democratic Party of Hawai'i, Hawaii Advocates for Consumer Rights, Kupuna Caucus of the Democratic Party of Hawai'i, League of Women Voters of Hawaii, and six individuals. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources and two individuals. Your Committees received comments on this measure from the Hawaii Community Development Authority.

Your Committees find that the public is best served by increased government transparency, understanding, and participation. Modernizing the Sunshine Law to include electronic postings and communication will increase public access to valuable information regarding public agency meetings. This measure increases access to board materials via the accessibility of board packets to allow for more meaningful public testimony at meetings, and further increases the quality of public participation in civic life.

Your Committees note that requiring a board to permit oral testimony at an open meeting for each agenda item may impact the board's ability to maintain meetings in an efficient manner. Your Committees believe that a board should have the ability, but not be required, to provide interested persons an opportunity to present oral testimony on any agenda item when it is first brought up for discussion.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that a board is not required to mail board packets;
- (2) Allowing, rather than requiring, boards to permit oral testimony at open meetings for each agenda item separately and at the time the item is first brought up for discussion at the meeting;
- (3) Requiring the board to maintain reasonable care of any original or duplicate recordings of minutes that are recorded by digital or analog means;
- (4) Inserting an effective date of July 1, 2017; 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. 165, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 165, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1488 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 306

The purpose and intent of this measure is to:

- (1) Require persons charged with the offense of operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant to be fitted with a continuous alcohol monitoring device if the person:
 - (A) Is a repeat intoxicated driver; or
 - (B) Is awaiting a criminal investigation or prosecution that is pending for one or more prior charges of operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant;
- (2) Establish procedures for the use and removal of the continuous alcohol monitoring device; and
- (3) Require that the continuous alcohol monitoring device is fitted, maintained, and monitored by a single vendor statewide and that the vendor provide partial financial relief for the costs of the monitoring devices to certain persons.

Your Committees received testimony in support of this measure from the Department of Transportation; Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; and SCRAM Systems. Your Committees received testimony in opposition to this measure from the Office of the Public Defender, Mothers Against Drunk Driving Hawaii, and Smart Start LLC.

Your Committees find that the National Highway Traffic Safety Administration previously reported that forty-one percent of all traffic fatalities in Hawaii were alcohol related, versus the national average of thirty-one percent. Moreover, between 2008 and 2012, eleven percent of all alcohol-related fatalities in Hawaii involved a driver who was previously convicted of operating a vehicle under the influence of an intoxicant. This measure seeks to decrease alcohol-related fatalities and accidents by requiring repeat offenders to be fitted with a continuous alcohol monitoring device.

Your Committees believe that further discussion is necessary regarding whether this measure should only be limited to post convictions of the offense of operating a vehicle under the influence of an intoxicant or habitually operating a vehicle under the influence of an intoxicant.

Your Committees have amended this measure by:

- (1) Requiring that the single statewide vendor of the continuous alcohol monitoring devices provide financial relief, rather than partial financial relief, for the costs of the monitoring devices to certain persons;
- (2) Inserting language to require the Department of the Prosecuting Attorney of the City and County of Honolulu to submit a written report to the Legislature prior to the Regular Session of 2018 that provides a comparison of the effectiveness of the alcohol monitoring devices and ignition interlock devices; 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. 306, 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. 306, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1489 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1245

The purpose and intent of this measure is to:

- (1) Limit liability for volunteers and nonprofit organizations, nonprofit corporations, or other entities that provide volunteers, who maintain or repair cemetery grounds; and
- (2) Require the Director of Commerce and Consumer Affairs, in consultation with the Comptroller, to develop strategies for the upkeep, repair, and maintenance of Sunset Memorial Park in Pearl City, Oahu;

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Accounting and General Services, Hawaii Cemetery Research Project, and six individuals. Your Committees received comments on this measure from the Hawaii Association for Justice.

Your Committees find that Sunset Memorial Park in Pearl City, Oahu, has had no registered owner on record since the death of its previous owner, and thus has been neglected for years, creating great concern for the families whose loved ones are buried there and for the surrounding community. Your Committees further find that Sunset Memorial Park volunteers have tried to maintain the cemetery but have reluctantly stopped because of state liability issues. This measure seeks to provide a viable solution to ensure the cemetery is maintained in a manner that is respectful of those buried there and ensures public safety and health.

Your Committees have amended this measure by:

- (1) Clarifying the allowable compensation or reimbursement for individual volunteers;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; 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 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. 1245, 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. 1245, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1490 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1488

The purpose and intent of this measure is to:

- (1) Amend the definition of “adequate supply” of marijuana to include seven marijuana seedlings;
- (2) Amend the definition of “debilitating medical condition” to include lupus, epilepsy, multiple sclerosis, arthritis, and autism as conditions that qualify for the legal use of medical marijuana;
- (3) Amend the definition of the term “transport” to allow qualified patients and primary caregivers to transport up to one gram of medical marijuana for laboratory testing under certain conditions;
- (4) Amend certain dates and deadlines in existing law to address the delays in implementation;
- (5) Establish new deadlines for the Department of Health to implement the dispensary system, including deadlines for implementation of the Department’s computer software tracking system and laboratory testing program;
- (6) Authorize an alternative means to track marijuana sales during any shutdown of the Department of Health’s computer tracking system and require input from licensees;
- (7) Require retention of video security recordings of production centers and dispensaries for forty-five days; and
- (8) Amend requirements for laboratory standards and testing to ensure product and patient safety at reasonable tolerance levels with reasonable cost implications.

Your Committees received testimony in support of this measure from the Drug Policy Action Group; Hawaii Educational Association for Licensed Therapeutic Healthcare; Maui Wellness Group, DBA Maui Grown Therapies; and seven individuals. Your Committees received testimony in opposition to this measure from the Hawai’i Dispensary Alliance and two individuals. Your Committees received comments on this measure from the Department of Health, Department of the Attorney General, and one individual.

Your Committees find that Act 241, Session Laws of Hawaii 2015, codified as chapter 329D, Hawaii Revised Statutes, established a licensing scheme for a statewide system of medical marijuana dispensaries and Act 230, Session Laws of Hawaii 2016, amended chapter 329D, Hawaii Revised Statutes, and other sections of the Hawaii Revised Statutes to clarify the system’s implementation. Generally, Act 241 required the Department of Health to announce the selection of medical marijuana dispensary licensees by April 15, 2016, and to allow retail dispensing of medical marijuana beginning July 15, 2016; however, implementation of the dispensary system has been delayed and the Department of Health has not indicated when full implementation may occur. This measure seeks to address issues to enable implementation of the medical marijuana dispensary system as envisioned in Acts 241 and 230.

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. 1488, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1491 Economic Development, Tourism, and Technology on H.B. No. 1041

The purpose and intent of this measure is to:

- (1) Repeal the ongoing reporting requirement by the Greenhouse Gas Emission Reduction Task Force to the Legislature regarding updates to its work plan and proposed regulatory scheme; and
- (2) Direct the University of Hawaii Office of the Vice President for Research and Innovation, rather than the Department of Business, Economic Development, and Tourism, to appoint the panel to conduct an evaluation of energy systems development special fund projects.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; and University of Hawaii. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the Greenhouse Gas Emissions Reduction Task Force was dissolved in 2010; therefore, reporting every five years is no longer practical or useful. Your Committee further finds that the Hawaii Natural Energy Institute comes under the purview of the University of Hawaii. Thus, the University of Hawaii would be the proper entity to appoint the panel to conduct the evaluation of the energy systems development special fund projects.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1041, 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 (Baker).

SCRep. 1492 Commerce, Consumer Protection, and Health on H.B. No. 912

The purpose and intent of this measure is to allow advanced practice registered nurses who hold a national certification in a psychiatric specialization to offer care and services to minors and patients in assisted community treatment similar to care and services offered by physicians and other healthcare service providers.

Your Committee received testimony in support of this measure from the Board of Nursing, Department of Health, Hawai'i State Center for Nursing, Hawaii Substance Abuse Coalition, Hawaii Association of Professional Nurses, Mental Health Task Force, and three individuals.

Your Committee finds that advanced practice registered nurses are licensed healthcare practitioners qualified to provide primary medical services to adolescents. Your Committee further finds that advanced practice registered nurses fill an important role in caring for patients' current and future health needs, and can help improve timely access to qualified behavioral health services for individuals most in need of care, such as severely mentally ill patients in assisted community treatment. Your Committee notes that while the State is experiencing a shortage of behavioral health specialists, the number of advanced practice registered nurses has nearly doubled in the years between 2005 and 2015.

Your Committee additionally finds that removing barriers to practice for advanced practice registered nurses will produce better access to safe, timely, quality healthcare for patients in Hawaii. More specifically, advanced practice registered nurses with psychiatric specialties are highly qualified to assess, diagnose, treat, and prescribe to patients with mental health conditions as well as adolescents in need of mental health services.

Your Committee notes that advanced practice registered nurses are required to complete seventy-five continuing education credits every five years in their specialty area and twenty-five of these continuing education credits must be in pharmacotherapy. Although advanced practice registered nurses inherently have ongoing training related to prescriptive knowledge, your Committee finds that it is prudent that the statutory language in this measure be forthright and clear in specifying throughout this measure that the advanced practice registered nurses who are authorized to treat minors and patients in assisted community treatment, as proposed by this measure, are advanced practice registered nurses who hold prescriptive authority and are certified in a psychiatric specialization.

Accordingly, your Committee has amended this measure by:

- (1) Inserting the phrase "advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization" to replace all references to "advanced practice registered nurse" in the provisions related to assisted community treatment;
- (2) Inserting language to the definition of the term "advanced practice registered nurse" related to assisted community treatment to require that the individual:
 - (A) Holds an accredited national certification in an advanced practice registered nurse psychiatric specialization; and
 - (B) Holds prescriptive authority pursuant to section 457-8.6, Hawaii Revised Statutes;
- (3) Clarifying that an advanced practice registered nurse can be considered a "licensed mental health professional" authorized to provide mental health treatment or counseling services to a minor only if the advanced practice registered nurse holds an accredited national certification in an advanced practice registered nurse psychiatric specialization; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 912, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 912, 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 (Ihara).

SCRep. 1493 Commerce, Consumer Protection, and Health on H.B. No. 223

The purpose and intent of this measure is to:

- (1) Allow a landlord or landlord's agent to charge an application screening fee as part of the applicant screening process for renting residential property;
- (2) Limit the amount that may be charged for an application screening fee;
- (3) Require the landlord or landlord's agent to return any unauthorized fee amounts to an applicant; and
- (4) Require the Department of Commerce and Consumer Affairs to submit a report to the Legislature on the application screening fees charged by landlords and their agents.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, The CHOW Project, Catholic Charities Hawai'i, Partners in Care, and one individual. Your Committee received testimony in opposition to this measure from Young Hawaii Homes, Inc.; Cornerstone Properties; Clark Realty Corporation; Hawai'i Association of REALTORS; Foster Realty, Inc.; National Association of Residential Property Managers, Oahu Chapter; Gustafson Real Estate LLC; Lighthouse Properties; Marie Hansen Properties, Inc.; Locations LLC; Kona Aloha Property Services; and one individual. Your Committee received comments on

this measure from the Governor's Coordinator on Homelessness, Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Consumer Data Industry Association, and three individuals.

Your Committee finds that existing law does not specifically regulate the nature and amount of application fees that landlords may charge prospective tenants. Furthermore, application screening fees may be a significant barrier to housing for low-income residents, including elderly persons and individuals and families who are homeless or on the brink of homelessness. According to testimony from the Office of Consumer Protection, it has received allegations from prospective tenants claiming that the cost of an application fee does not correlate with the cost of background checks. The Office of Consumer Protection also indicated that excessive application fees are particularly egregious in those circumstances when a landlord or the landlord's agent receives numerous applications for one apartment, most of which are not seriously considered. Rather, the landlord or the landlord's agent takes advantage of their bargaining position to create a supplemental source of income merely by screening potential tenants. This measure therefore sets a limit on the amount that could be charged to a prospective tenant, while still enabling landlords to be compensated for the expense associated with credit checks.

Your Committee notes that this measure requires the Department of Commerce and Consumer Affairs to submit a report to the Legislature on the application screening fees charged by a landlord or a landlord's agent. However, the Office of Consumer Protection indicated to your Committee that this reporting requirement is unnecessary, as the Office has already surveyed tenant screening services online that include a credit check and criminal background check and determined that such services cost \$25 or less.

Your Committee has heard the testimony regarding landlords charging an application fee and receiving multiple applications for a single unit. Your Committee notes that, realistically, there are only so many tenant applications that can reasonably be accepted and considered at one time for a single available rental unit. Thus, further discussion may be needed regarding potentially limiting the number of tenant applications for a rental unit that can be received at one time.

Your Committee has amended this measure by:

- (1) Clarifying that only one application screening fee may be charged per application, and specifying that a landlord or the landlord's agent shall not charge an application screening fee for each member of a household;
- (2) Deleting language that would have required the Department of Commerce and Consumer Affairs to submit a report to the Legislature on the application screening fees charged by a landlord or a landlord's agent;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (4) Inserting a sunset date of June 30, 2020; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 223, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 223, 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 (Chang).

SCRep. 1494 Commerce, Consumer Protection, and Health on H.B. No. 696

The purpose and intent of this measure is to designate the month of September each year as Suicide Prevention and Awareness Month.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deleted the contents of this measure and inserted provisions that:

- (1) Change the name of the Board of Dental Examiners to the Board of Dentistry and Dental Hygiene and, beginning on July 1, 2018, increase dental hygienist representation on the board and ensure Oahu and neighbor island representation among dental hygienist members;
- (2) Expand the required qualifications that applicants may fulfill as part of the requirements for dental licensure to include passage of any nationally recognized clinical dental examination recommended by the American Dental Association other than the American Board of Dental Examiners (ADEX) examination and dental licensure in another state; provided that the applicant meets specific qualifications; and
- (3) Clarify the allowable and prohibited practices requirements for dental assistants; clarify that rules adopted by the Board of Dental Examiners shall not infringe upon, overlap with, or conflict with the duties and scope of practice for other licensed professionals; and prohibit persons from employing, directing, or ordering a dental assistant or other person to perform services or procedures within the scope of practice of dental hygiene.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Dental Hygienists' Association and fifteen individuals. Your Committee received testimony in opposition to the proposed S.D. 1 from the Board of Dental Examiners, Hawaii Dental Association, University of Hawai'i System, and over one hundred sixty individuals.

Your Committee finds that although the original purpose of the Board of Dental Examiners was to act as a pool of dental examiners, the board's present function has moved beyond merely conducting licensing exams. The board is now more regulatory in nature, as it encompasses the regulation of dentistry, under chapter 448, Hawaii Revised Statutes, and dental hygienists, under chapter 447, Hawaii Revised Statutes. Accordingly, since the board governs two professions, it is logical to modernize the name of the board to the Board of Dentistry and Dental Hygiene (Board), which accurately reflects the professions the board oversees.

Your Committee further finds that although there are currently twelve members on the Board, only two members are dental hygienists. This unequal representation may result in the dental hygienists' views not being reflected in the board's actions. Accordingly, the proposed S.D. 1 amends the Board's composition to add dental hygienist members, including dental hygienist members from the neighbor islands, which will ensure that the unique and valuable perspective of dental hygienists and neighbor island residents are more adequately represented.

Your Committee additionally finds that licensed and registered dentists are permitted under existing law to employ auxiliary personnel, known as dental assistants, to assist a dentist in the dentist's practice. Like dental hygienists, dental assistants are a valuable part of a dental team, and each team member plays a critical role in the execution of outstanding patient care. However, existing law does not require licensure or educational requirements or standardized training for dental assistants. It is therefore not appropriate for dental assistants to be expected or required to perform duties, activities, or functions that, if performed by a dental hygienist, would require licensure. Your Committee notes that the proposed S.D. 1 does not diminish the role of dental assistants, or otherwise affect the functions that dental assistants can already perform. Rather, the proposed S.D. 1 makes certain necessary clarifications to existing law regarding the allowable and prohibited practices requirements for dental assistants.

Furthermore, your Committee notes that it is the Legislature who determines duty and scope of practice for licensed professionals in the State. Therefore, your Committee does not believe it is appropriate for the Board to adopt rules that attempt to circumvent or infringe upon the legislatively-determined parameters regarding duty and scope of practice for other licensed professionals within the Board's purview. Thus, your Committee emphasizes that if the Board desires to change the scope of practice for auxiliary personnel, the Board must approach the Legislature to request such a change.

Finally, your Committee has heard the concerns raised in testimony regarding language in the proposed S.D. 1 that would expand the required qualifications for dental licensure to include passage of any nationally-recognized clinical dental examination recommended by the American Dental Association other than the ADEX examination. However, according to testimony from the Board, the American Dental Association recently announced that it would be developing a national dental examination without the use of live patients. All of the existing regional examinations for dental licensure require a clinical examination with live patients, and your Committee agrees that such a requirement is essential to determine competency for dental licensees. Amendments to the proposed S.D. 1 to remove this language are therefore necessary.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting language that would have expanded the required qualifications that applicants may fulfill as part of the requirements for dental licensure to include passage of any nationally recognized clinical dental examination recommended by the American Dental Association other than the ADEX examination and dental licensure in another state; provided that the applicant met specific qualifications;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 696, 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 (Chang).

SCRep. 1495 Judiciary and Labor on H.B. No. 301

The purpose and intent of this measure is to require the Clerk of the Court to grant to a party a single extension of no more than fifteen days for filing with the Supreme Court a response to an application for writ of certiorari upon timely written request of the party; and clarify what constitutes a timely request for an extension.

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; Office of the Prosecuting Attorney, County of Hawai'i; and Department of the Prosecuting Attorney, County of Maui.

Your Committee finds that this measure ensures that a responding party to an application for writ of certiorari in civil or criminal cases is given equal opportunity to respond to an application.

Your Committee has amended this measure by:

- (1) Replacing references to "opposition" with "response" for purposes of consistency;
- (2) Deleting the savings clause under section 2; 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. 301, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 301, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1496 Judiciary and Labor on H.B. No. 461

The purpose and intent of this measure is to:

- (1) Establish the offense of resisting arrest in the first degree as a class C felony; and
- (2) Reclassify the existing offense of resisting arrest as the offense of resisting arrest in the second degree, which is a misdemeanor.

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. Your Committee received testimony in opposition to this measure from the Office of the Public Defender and two individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that existing law does not adequately address situations where an offender takes or attempts to take a law enforcement officer's firearm. Officers sometimes engage in physical altercation with offenders while trying to make an arrest, placing their firearms in close proximity to the offender's grasp. This can result in a dangerous situation for the law enforcement officer and the offender because a gun in close quarters can discharge and seriously injure or kill the persons involved or bystanders. This measure elevates the offense of resisting arrest to a felony when the offender uses or attempts to use force to remove a law enforcement officer's firearm during the course of an arrest, to provide a greater deterrent as well as create a safer working environment for law enforcement officers.

Your Committee notes the concerns raised in written testimony submitted by the Department of the Attorney General that the language in this measure regarding the offense of resisting arrest in the first degree may pose title concerns because the language only refers to an officer who is acting under color of the law enforcement officer's official authority. Thus, a law enforcement officer could be engaged in any law enforcement activity, not necessarily an arrest.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General that clarifies the language under the offense of resisting arrest in the first degree that the use of force to remove a firearm from a law enforcement officer must be done while the law enforcement officer is effecting an arrest;
- (2) Clarifying that the mens rea required under the offense of resisting arrest in the first degree is only intentionally, rather than intentionally or knowingly;
- (3) Inserting an effective date of January 7, 2059, 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. 461, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 461, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1497 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1401

The purpose and intent of this measure is to:

- (1) Require all elections to be conducted by mail beginning with the 2020 primary election;
- (2) Establish procedures to conduct elections by mail, including requirements for ballots, replacement ballots, deficient return of ballots, electronic transmission of ballots under certain conditions, ballot counting, and election expenses and responsibilities;
- (3) Establish a limited number of voter service centers to receive personal delivery of mail-in ballots, accommodate voters with special needs, offer same day registration and voting, and provide other election services;
- (4) Allow for additional places of deposit for personal delivery of mail-in ballots;
- (5) Make conforming amendments to existing laws relating to elections to reflect and implement an election by mail system, including the laws relating to voter registration, precinct officials and watchers, election proclamations, postponement of elections due to natural disasters, ballots, voting procedures, ballot counting and election results;
- (6) Make conforming amendments to existing laws relating to absentee voting;
- (7) Appropriate funds for the preparation for and implementation and administration of elections by mail; and
- (8) Require the Office of Elections to submit a report to the Legislature prior to the convening of each Regular Session from 2019 to 2023, regarding the implementation and administration of the election by mail program.

Your Committees received testimony in support of this measure from the Office of Elections; Office of Hawaiian Affairs; Office of the City Clerk, City and County of Honolulu; Office of the County Clerk, County of Hawai'i; Office of the County Clerk, County of Kaua'i; Office of the County Clerk, County of Maui; League of Women Voters of Hawaii; Common Cause Hawaii; Americans for Democratic Action Hawai'i; Planned Parenthood Votes Northwest and Hawaii; and thirty-seven individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Disability and Communication Access Board and two individuals.

Your Committees find that the trend in Hawaii has been toward increased mail-in voting and that shifting to elections by mail would significantly reduce the logistical issues related to conducting elections. This measure uniformly implements an election by mail voting system for all elections beginning with the 2020 primary election.

Your Committees note that S.B. No. 334, S.D. 2 (Regular Session of 2017) contains language that is substantially similar to this measure, except for the following provisions of particular note, which:

- (1) Allow any election to be conducted by mail prior to the 2020 primary election, in whole or in part, as determined by the chief election officer or county clerk, as appropriate;
- (2) Clarify that the county clerks are primarily responsible for voting operations at voter service centers and places of deposit;
- (3) Delete references to “precinct” and replace them with “district” or “area”, when appropriate;
- (4) Repeal language that would have had the inadvertent effect of requiring any person registering to vote at a voter service center before or on election day to affirm that the person will not vote in that election;
- (5) Delete references to “precinct official” and replace them with “election official”, when appropriate;
- (6) Delete the section that would have repealed section 15-4, Hawaii Revised Statutes, relating to the request for an absentee ballot; and
- (7) Require the Office of Elections’ reports to the Legislature to include any developments in assistive technology that may be implemented to ensure that persons with disabilities are not, on the whole, disadvantaged by the implementation of the election by mail program, including the costs associated with such technology.

Your Committees further note that this measure includes a blank appropriation for fiscal year 2018-2019, and that part of the sum appropriated is required to be distributed by the Office of Elections to each county for expenditure to begin implementation of voting by mail. To date, however, your Committees have not received detailed estimates or cost breakdowns from the Office of Elections or any of the counties of the amounts these offices will require to begin implementation during that period of time and subsequent years. Your Committees finally note that it is important to receive in advance as much information as possible concerning the associated costs for not only public awareness and education, but also for any new facilities, equipment, processing services, software, and other items that may be necessary. Therefore, your Committees request that the Office of Elections submit estimates and cost breakdowns for the implementation of a vote by mail system as this measure moves through the legislative process.

Accordingly, your Committees have amended this measure by deleting its contents and inserting the contents of S.B. No. 334, S.D. 2 (Regular Session of 2017), and amending the language further by:

- (1) Making technical, nonsubstantive amendments to:
 - (A) Amend section 1 to accurately describe the components of the measure;
 - (B) Clarify that to cast a valid ballot, the voter is required to return the ballot by mail or electronic transmission, under certain circumstances, or by personal delivery to any voter service center no later than the closing hour, rather than closing time, provided in section 11-131, Hawaii Revised Statutes;
 - (C) Clarify the deadlines to cast a voted replacement ballot requested by electronic transmission via electronic transmission, mail, or personal delivery to any place of deposit or voter service center;
 - (D) Make additional conforming amendments regarding references to “precinct” and “polling place”, when appropriate, and to distinguish the duties and responsibilities between the Chief Election Officer and county clerk with respect to proclamations, voter service centers, and watchers, when appropriate;
 - (E) Clarify the hours of voting at voter service centers under section 11-131, Hawaii Revised Statutes;
 - (F) Make a conforming amendment to section 11-152, Hawaii Revised Statutes;
 - (G) Clarify the deadline by which absentee ballots are required to be delivered at a voter service center; and
 - (H) Repeal the definition of “absentee polling place” under section 15-1, Hawaii Revised Statutes, and repeal section 15-8, Hawaii Revised Statutes, relating to absentee ballot boxes, to reflect the amendments that replace absentee polling places with voter service centers;
- (2) Adding language to allow voters with special needs to request a ballot to be forwarded by electronic transmission;
- (3) Inserting an effective date of January 1, 2020, and clarifying that nothing shall preclude the Chief Election Officer and the county clerk of a county from determining that an election may be conducted by mail, in whole or in part, using the procedures and facilities specified in section 2, beginning on January 1, 2018; and
- (4) 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 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. 1401, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1401, H.D. 1, 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, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1498 Judiciary and Labor on H.B. No. 1501

The purpose and intent of this measure is to reclassify drug paraphernalia possession and delivery offenses from felonies to violations subject to a fine of \$100.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, The Drug Policy Forum of Hawai'i, Hawai'i Dispensary Alliance, Kush Bottles Hawaii, African American Lawyers Association, Community Health Outreach Work, The Drug Policy Action Group, and twenty-two individuals. Your Committee 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 Hawai'i; and Police Department, County of Hawai'i. Your Committee received comments on this measure from the Department of the Attorney General and Department of Public Safety.

Your Committee finds that drug paraphernalia possession and delivery offenses are nonviolent offenses. By eliminating the criminal penalties for drug paraphernalia possession and delivery offenses, this measure will help to prevent nonviolent individuals from becoming involved with the criminal justice system, eliminate many collateral consequences that stem from drug paraphernalia arrests, and provide for the reinvestment of money into community needs, such as drug treatment programs.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive amendments to the preamble under section 1 for purposes of clarity and consistency;
- (2) Clarifying that a person using, or possessing with the intent to use, drug paraphernalia or a person delivering, possessing with intent to deliver, or manufacturing with intent to deliver drug paraphernalia shall be subject to a civil fine of no more than \$500, rather than \$100; and
- (3) Inserting an effective date of January 7, 2059, 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. 1501, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1501, 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; Ayes with Reservations (Kim). Noes, none. Excused, 1 (Gabbard).

SCRep. 1499 Commerce, Consumer Protection, and Health on H.B. No. 407

The purpose and intent of this measure is to:

- (1) Authorize the issuance of employer-sponsored high deductible health plans, if certain conditions are met;
- (2) Require maintenance of health savings accounts in conjunction with high deductible health plans; and
- (3) Specify that employers and health insurers, mutual benefit societies, and health maintenance organizations that buy or sell high deductible health plans remain subject to the Prepaid Health Care Act.

Your Committee received testimony in support of this measure from the University Health Alliance; Alexander & Baldwin, Inc.; JTB Hawaii, Inc.; Outrigger Hotels & Resorts; and twenty-two individuals. Your Committee received testimony in opposition to this measure from the Hawaii State AFL-CIO and International Longshore and Warehouse Union, Local 142. Your Committee received comments on this measure from the Department of the Attorney General, Department of Labor and Industrial Relations, Hawaii Medical Service Association, and Kaiser Permanente Hawaii.

Your Committee finds that health savings accounts are authorized under federal law and can be used in combination with a high deductible health plan to afford employees and their families a tax-advantaged medical savings account. Health savings accounts offer federal and state tax benefits and the health savings account is portable, meaning unspent balances continue to accumulate over time and follow an employee if the employee changes jobs. Your Committee further finds that health savings accounts are not appropriate for every employee, but for those employees who may be better matched with a health savings account program rather than a group plan, health savings accounts offer significant financial incentives. Accordingly, this measure permits health plans the option of offering a high deductible health plan, in conjunction with a health savings account, as long as another health insurance policy, which is compliant with the Prepaid Health Care Act, is also offered to each eligible employee.

Your Committee additionally finds that it is important for employees to be educated on the potential costs and benefits of any high deductible health plan that may be offered in conjunction with a health savings account. Your Committee notes that it is important that employees who choose a high deductible health plan do so voluntarily, and are not inappropriately steered toward such a plan if it is not in the employees' best interest. Amendments to address these concerns are therefore necessary.

Finally, your Committee notes that this measure contains a five-year sunset date, which gives the Legislature an opportunity to revisit this issue at a later date.

Your Committee has amended this measure by:

- (1) Deleting language that would have required an insurer, mutual benefit society, or health maintenance organization to ensure that employers offer a prepaid health care plan insurance policy that is not a high deductible health plan and a health savings account in conjunction with a high deductible health plan to each eligible insured;
- (2) Specifying that an employer who provides a high deductible health plan in conjunction with a health savings account to a participating employee shall contribute an unspecified percent per pay period into the participating employee's health savings account maintained in conjunction with a high deductible health plan;
- (3) Clarifying that when a high deductible health plan is offered, sold, or renewed to employers, any such package that contains a high deductible health plan offered in conjunction with a health savings account must be approved as a prepaid group health plan pursuant to section 393-7(b), Hawaii Revised Statutes;

- (4) Specifying that each insurer, mutual benefit society, or health maintenance organization that offers, sells, or renews a high deductible health plan in conjunction with a health savings account shall file with the Insurance Commissioner a report containing the insurer's, mutual benefit society's, or health maintenance organization's educational information and marketing materials regarding any such health plan and health savings account that may be offered by the insurer and requiring the Insurance Commissioner to receive any related complaints from employees;
- (5) Clarifying that insurers, mutual benefit societies, and health maintenance organizations are not required to serve as the primary custodian or trustee of a health savings 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 407, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 407, H.D. 3, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Espero, Kidani, Ruderman). Noes, none. Excused, 1 (Chang).

SCRep. 1500 (Majority) Ways and Means on H.B. No. 115

The purpose and intent of this measure is to address issues regarding public roads for which there is a dispute between the State and another party over ownership and jurisdiction.

Specifically, this measure requires each county with a population of five hundred thousand or greater to take ownership and jurisdiction over all disputed public roads under certain circumstances.

Your Committee received written comments in support of this measure from the Department of Transportation, Department of Land and Natural Resources, Managing Director of the City and County of Honolulu, Bank of Hawaii, and Chamber of Commerce Hawaii.

Your Committee finds there are numerous roads throughout the State for which ownership has been disputed and that consequently do not receive proper care and maintenance. These disputes create difficulties for both members of the public and for government agencies when individuals report repair or maintenance issues. Your Committee believes this measure will resolve these issues by requiring the counties to take ownership of and exercise jurisdiction over these disputed roads.

Your Committee notes that the Department of Transportation has requested an amendment to section 4 of Act 194, Session Laws of Hawaii 2016, to change the appropriation date from Fiscal Year 2016-2017 to Fiscal Year 2017-2018, to allow for positions and operating expenditures of the Roads Commission to complete its review of private road ownership disputes as required by that Act.

Your Committee also notes a proposed amendment from the Department of Land and Natural Resources that would ensure that the definition of "disputed roads" includes those roads whose ownership is in dispute between a county and a private landowner. The Department of Land and Natural Resources also requested that, if applicable, language be added to expressly confirm the intent of the Legislature to exempt the surrender of roads to a county under this measure from section 171-64.7, Hawaii Revised Statutes, which requires a supermajority approval of both houses of the Legislature for conveyances of state 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 is in accord with the intent and purpose of H.B. No. 115, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Harimoto). Excused, none.

SCRep. 1501 Ways and Means on H.B. No. 208

The purpose and intent of this measure is to provide the Department of Labor and Industrial Relations with increased authority to enforce labor laws.

Specifically, this measure:

- (1) Requires the Department of Labor and Industrial Relations to issue a stop-work order for employers who fail to procure proper workers' compensation insurance or to provide their employees with information on workers' compensation rights and claims for benefits;
- (2) Requires that employees affected by a stop-work order shall be paid for the time lost, up to ten days;
- (3) Establishes a procedure for an employer to protest a stop-work order; and
- (4) Provides for the issuance of an order of wage payment violation to employers who fail to pay wages and other compensation.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; Hawaii Construction Alliance; Alan Shintani, Inc.; Hawaii Regional Council of Carpenters; Pacific Resource Partnership; Allied Builders System; and BIA-Hawaii.

Your Committee received written comments on this measure from the General Contractors Association of Hawaii and The Chamber of Commerce Hawaii.

Your Committee finds that some employers continue to ignore Hawaii's workers' compensation insurance requirements because penalties are insufficient to deter the illegal practice. These unscrupulous employers gain an illegal and economic advantage over their competitors at the expense of their employees. Your Committee further finds that requiring the Department of Labor and Industrial

Relations to issue a stop-work order for non-complying employers will incentivize employers to follow the law, which will ultimately provide proper protections for employees.

Your Committee has amended this measure by specifying that a lawsuit to enjoin an employer who is in default of the workers' compensation insurance requirements under section 386-121, Hawaii Revised Statutes, may be filed in the judicial circuit of the employer's principal place of business in the State, in addition to where the violation occurred.

Your Committee requests that the amendments proposed by Pacific Resource Partnership, including authorizing the Department of Labor and Industrial Relations to impose a penalty of \$1,000 per day of violation of a stop-work order; making a technical amendment to delete reference to section 386-99, Hawaii Revised Statutes; and extending the time for the Department of Labor and Industrial Relations to issue a decision following a hearing on a stop-work order, be considered during Conference 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. 208, 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. 208, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1502 Ways and Means on H.B. No. 735

The purpose and intent of this measure is to amend the prorated amount of vehicle license and registration fees and weight taxes that rental car companies may pass on to lessees.

In addition, this measure:

- (1) Requires the motor vehicle rental industry to report to the Legislature prior to the Regular Session of 2019; and
- (2) Defines "vehicle license recovery fee" for the purposes of the report.

Your Committee received written comments in support of this measure from the Department of Transportation, Enterprise Holdings, American Car Rental Association, Avis Budget Group, and the Chamber of Commerce Hawaii.

Your Committee received written comments in opposition to this measure from the Office of Consumer Protection.

Your Committee finds that although current law permits rental car companies to recover from rental car customers certain mandatory government fees paid by the companies to make the rental vehicles road-ready, the prorated formula is calculated over a period of three hundred sixty-five days, which results in a significant portion of the fees going unrecovered. In addition, the categories of government fees that the companies are permitted to collect do not reflect the total fees paid by rental car companies. Rental car companies thus incur a shortfall in collections under the existing law. Your Committee further finds that many states have laws permitting rental car companies to pass on to consumers an amount closer to the full recovery of these mandatory government fees.

Your Committee has amended this measure by:

- (1) Expanding the definition of "vehicle license recovery fees" by changing "fee" to "fees" and including inspection fees and highway beautification fees;
- (2) Codifying the definition of "vehicle license recovery fees" within chapter 437D, Hawaii Revised Statutes; and
- (3) Allowing lessors to pass on to lessees a prorated amount of vehicle license recovery fees, rather than only registration and weight taxes.

Your Committee notes that this measure is a work in progress, and much needs to be done to achieve a workable final conference draft. Specifically, your Committee requests that, if a Committee on Conference is convened to consider this measure, it determine the appropriate amount of pro rated vehicle license recovery fees that lessors may pass on to lessees. Your Committee notes that several rental car companies suggested 1/292 as an appropriate amount. The companies testified that this fraction reflects the average amount of time each year that motor vehicles are actually rented.

Your Committee also requests the Committee on Conference to consider whether amendments should be made to:

- (1) Make the reporting requirement imposed by section 3 of this measure more relevant and reasonable; and
- (2) Clarify exactly which organization is responsible for preparing and submitting the required 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 is in accord with the intent and purpose of H.B. No. 735, 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. 735, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1503 Ways and Means on H.B. No. 733

The purpose and intent of this measure is to provide exemptions from vehicle registration, safety inspection, and driver licensure requirements in relation to tractor trucks, forklifts, and top picks used as marine terminal equipment temporarily moving in or between terminals at Sand Island and along Sand Island Parkway and Sand Island Access Road.

Your Committee received written comments in support of this measure from the Department of Transportation; The Maritime Group, LLC; and Matson.

Your Committee finds that by streamlining the requirements for moving marine equipment between terminals at commercial harbors, this measure allows harbor users to re-allocate resources and promotes operational efficiencies and flexibility, which are needed at terminals at Sand Island and along Sand Island Parkway and Sand Island Access Road.

Your Committee has amended this measure by changing its effective date to July 1, 2017.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 733, 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. 733, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1504 Ways and Means on H.B. No. 374

The purpose and intent of this measure is to clarify the scope of practice of a dental assistant.

Specifically, the measure:

- (1) Prohibits the Board of Dental Examiners from adopting rules for dental assistants that infringe upon, overlap with, or conflict with the duties and scope of practice for any other licensed professional;
- (2) Prohibits persons from employing dental assistants to perform services or procedures within the scope of practice of dental hygiene, unless the dental assistant is a licensed dental hygienist; and
- (3) Requires the Auditor to conduct a sunrise analysis of Kapiolani Community College's certification program for dental assistants.

Your Committee received written comments in support of this measure from the Hawaii Dental Hygienists' Association and thirteen individuals. Your Committee received written comments in opposition to this measure from the Board of Dental Examiners.

Your Committee believes that increased access to oral health care is of the utmost importance to the State, provided that safety is not compromised. This measure protects the public and promotes dental health by disallowing untrained, unlicensed, and unregulated personnel from performing duties that historically required education, testing, and licensure.

Your Committee has amended this measure by deleting part I, which prohibits the Board of Dental Examiners from adopting rules for dental assistants that infringe upon, overlap with, or conflict with the duties and scope of practice for any other licensed professional and further prohibits persons from employing dental assistants to perform the work of a dental hygienist.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374, 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. 374, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Galuteria, Inouye).

SCRep. 1505 Ways and Means on H.B. No. 488

The purpose and intent of this measure is to increase the availability of and access to housing stock in the State.

Specifically, this measure:

- (1) Specifies that certain provisions of the Internal Revenue Code related to at-risk rules and deductions and to passive activity losses do not apply with respect to claims from the state low-income housing tax credit;
- (2) Authorizes the issuance of general obligation bonds for rental housing, a mixed-use affordable rental housing and multi-use juvenile services and shelter center, and public housing improvements, renovations, and security upgrades; and
- (3) Appropriates funds for deposit into the dwelling unit revolving fund to support housing development.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority; Hawaii Housing Finance and Development Corporation; Hawaii State Judiciary; Hawaii Operating Engineers Industry Stabilization Fund; EAH Housing; InState Partners; Hawaii Construction Alliance; Faith Action for Community Equity; Hawaii Habitat for Humanity Association, Inc.; FACE/Housing Now Coalition; DeBartolo Development; Hawaii Association of Realtors; FACE Maui; Partners in Care; Catholic Charities Hawaii; The Community Health Outreach Work to Prevent AIDS Project; Stanford Carr Development, LLC; Pacific Resource Partnership; IMUAlliance; Michaels Development Company; Chamber of Commerce Hawaii; PHOCUSED; Land Use Research Foundation of Hawaii; and four concerned individuals.

Your Committee received written comments on this measure from the Department of Taxation.

Your Committee finds that increasing access to affordable housing in Hawaii is a priority for the State. Your Committee further finds that current limitations on low-income housing tax credits exclude many individuals and small businesses from participation.

Your Committee is concerned about cash balances in the rental housing revolving fund, the dwelling unit revolving fund, and the Hula Mae fund. Quicker disbursement of funding will promote more housing development and a healthier economy for all Hawaii residents. Affordable housing advocates should be made aware of this issue, and your Committee encourages advocates to undertake efforts to support more expeditious expenditures by the Hawaii Housing Finance and Development Corporation.

Your Committee also believes it is more appropriate to address appropriations for housing projects through the executive budget.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language authorizing the issuance of general obligation bonds for rental housing, a mixed-use affordable rental housing and multi-use juvenile services and shelter center, and public housing improvements, renovations, and security upgrades;
- (2) Deleting language appropriating funds for the dwelling unit revolving fund;
- (3) Providing that the amendments made to the low-income housing tax credit in section 2 of the measure will apply to qualified low-income buildings awarded credits beginning after December 31, 2050, rather than December 31, 2017, 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 H.B. No. 488, 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. 488, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1506 Ways and Means on H.B. No. 916

The purpose and intent of this measure is to appropriate funds to the Department of Health to address the shortage of primary healthcare providers in Hawaii.

More specifically, this measure appropriates funds to support the Hawaii Rural Health Care Provider Loan Repayment Program administered through the John A. Burns School of Medicine to provide loan repayment for physicians, physician assistants, and nurse practitioners who agree to work in a federally-designated health professional shortage area or an area of Hawaii found to be underserved.

Your Committee received written comments in support of this measure from the Department of Health; Department of Labor and Industrial Relations; University of Hawaii; East Hawaii Region of the Hawaii Health Systems Corporation; Office of the Mayor, County of Hawaii; Hawaii Academy of Family Physicians; Healthcare Association of Hawaii; Lanai Community Health Center; Big Island Toyota; Hawaii Pacific Health; Hawaii Medical Service Association; Hawaii Medical Association; Hilo Medical Center Foundation; The Queen's Health Systems; ILWU Local 142; Hawaii Area Health Education Center; and sixteen individuals.

Your Committee finds that Hawaii is facing a shortage of primary health care providers, particularly in rural areas, that threatens individual health and cumulatively affect the State's health care costs. Your Committee further finds that the increasingly high cost of education for health care professionals binds graduates to a career path focused on pursuing an income to repay exorbitant student loans, rather than pursuing general practice on neighbor islands or in rural areas where the need is greatest. Your Committee believes it is important to provide funds to the Hawaii Rural Health Care Provider Loan Repayment Program administered through the John A. Burns School of Medicine to address the need for physicians in underserved areas of the State.

Your Committee has amended this measure by adding an appropriation of an unspecified amount for fiscal year 2018-2019.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 916, 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. 916, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1507 Ways and Means on H.B. No. 206

The purpose and intent of this measure is to provide funding for wireless enhanced 911 services.

More specifically, the measure:

- (1) Establishes a 1.5 per cent prepaid wireless E911 surcharge at the point of sale of wireless telecommunications services;
- (2) Allows sellers of prepaid wireless telecommunications services to deduct and retain three per cent of all surcharges collected from consumers to offset administrative expenses associated with collecting the surcharge; and
- (3) Requires sellers of prepaid wireless telecommunications services to remit the surcharge balance to the enhanced 911 fund on a specified periodic basis.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee received written comments in opposition to this measure from JointWireless and Keitai Hawaii LLC.

Your Committee received written comments on this measure from the Enhanced 911 Board of the Department of Accounting and General Services and the Tax Foundation of Hawaii.

Your Committee finds that this measure will create parity between postpaid and prepaid cellular telephone service customers. Although prepaid cellular telephone service customers benefit from the use of enhanced 911 features, they are currently exempt from the 66 cents per month per line surcharge that is paid by postpaid cellular telephone customers, who comprise eighty to ninety per cent of the cellular telephone user market. This means that cellular telephone users who pay the monthly surcharge after receiving their cellular telephone services are effectively subsidizing the prepaid cellular telephone customers' portion of the cost for the acquisition, implementation, and maintenance of hardware and software that provide enhanced 911 functionality.

Your Committee notes that this measure contains liability immunity provisions pertaining to cooperation with law enforcement officers, which are based on National Conference of State Legislatures model legislation. Those provisions are unrelated to the purpose of the bill, which is to impose the enhanced 911 surcharge on prepaid wireless telecommunications services. Your Committee respectfully requests that a Conference Committee that may consider this measure consider how the liability immunity provisions may impact the State and whether the provisions should remain in the measure.

Your Committee further notes that the intent of this measure is not to impose the enhanced 911 surcharge on prepaid calling cards intended to pay for long distance charges.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes for purposes of clarity, 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. 206, 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. 206, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1508 Ways and Means on H.B. No. 530

The purpose and intent of this measure is to modernize the Downpayment Loan Program under the Hawaii Housing Finance and Development Corporation (HHFDC).

More specifically, the measure provides that:

- (1) HHFDC may establish, revise, charge, and collect fees, premiums, and charges for the Downpayment Loan Program;
- (2) HHFDC may secure the services of nonprofit organizations to originate downpayment loans on behalf of HHFDC in exchange for a fee; and
- (3) A person must successfully complete a homeownership counseling program in order to qualify for a downpayment loan from HHFDC.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the Hawaii Housing Finance and Development Corporation; and the Hawaii Association of REALTORS.

Your Committee finds that homeownership creates strong communities through economic growth, and that updating HHFDC's Downpayment Loan Program will help make homeownership more affordable for more Hawaii households.

Your Committee has amended this measure by:

- (1) Clarifying that HHFDC shall determine the prevailing loan origination fee amount for purposes of establishing a fee that a nonprofit organization may charge to originate a downpayment loan on behalf of the State; and
- (2) Making conforming amendments consistent with the change in the name of the Downpayment Loan Program to the Downpayment Loan Assistance Program under this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 530, 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. 530, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1509 Ways and Means on H.B. No. 50

The purpose and intent of this measure is to ensure that Hawaii homebuyers have continued access to mortgage loans by adopting federal standards regarding appraiser independence that are designed to protect the integrity of the mortgage lending process.

More specifically, this measure:

- (1) Establishes an appraisal management company registration program in the Department of Commerce and Consumer Affairs; and
- (2) Appropriates funds out of the Compliance Resolution Fund to implement the appraisal management company registration program.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division; Hawaii Association of REALTORS; REVAA - Real Estate Valuation Advocacy Association; Hawaii Financial Services Association; Hawaii Credit Union League; Hawaii Bankers Association; Mortgage Bankers Association of Hawaii; and one individual.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office.

Your Committee finds that an appraisal management company is an entity that administers networks of independent appraisers to perform real estate appraisals for lenders. An appraisal management company serves as an intermediary to ensure independence of the

appraiser from the loan originator. Additionally, an appraisal management company performs essential functions in many residential real estate transactions, including maintaining a roster of qualified appraisers, coordinating appraisal completion, maintaining appraiser independence by serving as a liaison between the appraiser and the mortgage lender, and performing quality control reviews of the appraisal before sending it to the lender.

Your Committee further finds that the federal rules adopted in 2015 under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 established minimum requirements for states to register appraisal management companies. While the final rules do not require a state to enact those minimum requirements, they specify that if a state fails to enact them by August 10, 2018, appraisal management companies not regulated in a manner that meets the minimum federal requirements will be barred from providing appraisal management services for federally-related real estate transactions in that state.

In response to the federal act and its rules, forty states have so far enacted legislation to regulate appraisal management companies. Not enacting similar legislation in Hawaii could cause a significant disruption to the State's mortgage market. Without such legislation, mortgage lenders would have to find new ways to process appraisals, or might choose not to provide any mortgages in the State. Ultimately, that result could increase consumer costs and limit the availability of mortgage products in Hawaii.

Accordingly, this measure establishes a regulatory structure to meet minimum federal requirements, thereby facilitating continued operation of appraisal management companies in Hawaii.

Your Committee has amended this measure by:

- (1) Changing the fiscal year of the appropriation out of the compliance resolution fund from fiscal year 2018-2019 to fiscal year 2017-2018; and
- (2) Changing the effective date for the appropriation out of the compliance resolution fund to July 1, 2050, to facilitate further discussion.

Your Committee notes that the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, has requested that \$140,000 be appropriated out of the compliance resolution fund for the implementation of the appraisal management company registration program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 50, 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. 50, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1510 Ways and Means on H.B. No. 1396

The purpose and intent of this measure is to authorize the Department of Health to permit any community care foster family home to provide care for up to two private-pay adults, provided certain requirements are met.

The Department of Health, the Department of Human Services, and one individual submitted written comments in support of this measure.

Two individuals submitted written comments in opposition to this measure.

Your Committee finds that there is an ever-increasing need for community care foster family homes, which exclusively serve adults who are at a nursing facility level of care and which provide living accommodations, supervision, personal care, and assistance with daily living activities in a family-like setting.

Your Committee recognizes that under current law, as long as certain requirements are met, a community care foster family home may be certified to provide accommodations and services for up to three adults at any one time. However, at least two of those three adults are required to be Medicaid recipients. Your Committee finds that as the cost of medical care continues to rise, even those adults who are at a nursing facility level of care, but do not rely on Medicaid for their long-term care, cannot afford the cost of private care and thus are left with limited options. Your Committee therefore believes that it would be appropriate to grant the Department of Health the flexibility to authorize, subject to certain conditions, any community care foster family home to provide care and services to two private-pay adults who are at a nursing facility level of care, provided that the home also provides care and services to a third adult who is a Medicaid recipient.

Your Committee has amended this measure by amending the definition of "community care foster family home" to provide that the Department of Health, in consultation with the Department of Human Services, and in its discretion after considering certain enumerated relevant factors, may allow two private-pay adults to be cared for in the same community care foster family home.

As affirmed by the record of votes of the members of your Committee 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. 2, 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. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1511 Ways and Means on H.B. No. 89

The purpose and intent of this measure is to preserve access to healthcare for Medicaid recipients by extending the hospital sustainability program for two years.

In addition, this measure:

- (1) Clarifies that the rate of the outpatient hospital sustainability fee shall not exceed three percent of net outpatient hospital service revenue;
- (2) Allows the Department of Human Services (DHS) to exclude any facility from the hospital sustainability fee on outpatient care services if its exclusion is required to meet federal standards of approval; and
- (3) Appropriates funds out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019.

Your Committee received written comments in support of this measure from the Department of Human Services, Mayor of the County of Hawaii, Hawaii Health Systems Corporation, The Queen's Health Systems, Healthcare Association of Hawaii, Chamber of Commerce Hawaii, and Hawaii Pacific Health.

Your Committee finds that the provider fees collected through the hospital sustainability program have helped the State obtain additional federal funds to increase Medicaid payments to hospitals. Your Committee further finds that the increased payments to hospitals under this program have improved the financial stability of the State's healthcare system.

Your Committee has amended this measure by:

- (1) Appropriating \$65,000,000 annually out of the hospital sustainability program special fund for fiscal years 2017-2018 and 2018-2019;
- (2) Changing its effective date to June 29, 2017, provided section 7 takes effect on July 1, 2017; and
- (3) Making a technical amendment for grammatical purposes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 89, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 89, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1512 Ways and Means on H.B. No. 116

The purpose and intent of this measure is to require the City and County of Honolulu to transfer to the Department of Land and Natural Resources all real property upon which a public school is situated.

This measure also extends, for an additional five years, the pilot program under section 302A-1151.1, Hawaii Revised Statutes, for the lease of public school land.

Your Committee received written comments in support of this measure from the Chamber of Commerce Hawaii.

Your Committee received written comments in opposition to this measure from the Department of Land and Natural Resources and the Office of the Managing Director of the City and County of Honolulu.

Your Committee received written comments on this measure from the Department of the Attorney General and the Department of Education.

Your Committee notes that the Attorney General has requested that the measure be amended to provide that all quitclaim deeds for real property transferred under this measure be reviewed and approved by the Department of the Attorney General prior to execution and recordation.

Your Committee further notes that the Department of Land and Natural Resources has indicated that \$3,600,000 would be required to subdivide the thirty-six parcels noted in section 2(d) of this measure. Alternatively, if the conveyances required by this measure were to be exempted from the subdivision requirement as a cost-saving measure, the Department estimated they would still require at least \$1,100,000 for a surveyed legal metes and bounds description and map.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 116, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1513 Ways and Means on H.B. No. 500

The purpose and intent of this measure is to maintain and expand the public prekindergarten program.

Specifically, this measure:

- (1) Authorizes the State Public Charter School Commission to enter into a memorandum of understanding to administer the charter school prekindergarten classrooms; and
- (2) Appropriates funds for early-childhood education to sustain prekindergarten programs established with a federal grant.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, the State Public Charter School Commission, Hawaii Public Charter School Network, the Early Learning Advisory Board, the Office of Hawaiian Affairs, Hawaii's Early Childhood Action Strategy, Hawaii State Teachers Association, Kamehameha Schools, Hawaii Children's Action Network, and one individual.

Your Committee finds this measure provides continued support to programs that prepare young children for school.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 500, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1514 Ways and Means on H.B. No. 547

The purpose and intent of this measure is to authorize a tax credit of up to \$400 per month for qualified expenses incurred by a taxpayer for hosting a foreign exchange individual.

Your Committee received written comments in support of this measure from International Hospitality Center and fourteen individuals.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that foreign exchange study programs benefit not only program participants, but also the State. However, volunteer host families may incur significant expenses for participating in the programs, yet receive no financial compensation. Your Committee believes that the tax credit established by this measure may reduce the financial burden for host families, and make participation in foreign exchange programs economically feasible for more Hawaii families.

Your Committee notes that the Department of Taxation estimates that if this measure were to take effect on July 1, 2017, the tax credit in the measure would lead to tax revenue losses, as follows:

<u>Fiscal Year</u>	<u>Tax Revenue Loss</u>
2019	\$2,450,000
2020	\$2,570,000
2021	\$2,700,000
2022	\$2,830,000
2023	\$2,970,000

Your Committee has amended this measure by:

- (1) Changing the maximum monthly amount of the tax credit to an unspecified sum;
- (2) Conforming a reference to the Internal Revenue Code of 1986, as amended, to recommended drafting convention; and
- (3) Making the measure applicable to taxable years beginning after December 31, 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. 547, 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. 547, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Galuteria, Inouye).

SCRep. 1515 (Majority) Ways and Means on H.B. No. 627

The purpose and intent of this measure is to encourage public-private partnerships in the State.

More specifically, this measure:

- (1) Establishes an Office of Public-Private Partnership within the Department of Business, Economic Development, and Tourism;
- (2) Authorizes the establishment of one permanent state public-private partnership coordinator position within the Department of Business, Economic Development, and Tourism;
- (3) Requires the office to:
 - (A) Create a strategic plan;
 - (B) Coordinate collaboration among state agencies to identify and implement public-private partnerships;
 - (C) Oversee and implement public-private partnerships;
 - (D) Analyze each state public-private partnership project; and
 - (E) Initiate Aloha Stadium redevelopment as its initial project; and
- (4) Appropriates \$10,000,000 in each of fiscal years 2017-2018 and 2018-2019 to:
 - (A) Establish and operate the Office of Public-Private Partnership and initiate Aloha Stadium redevelopment; and
 - (B) Establish and fill the state public-private partnership coordinator position.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Stadium Authority of the Department of Accounting and General Services; and Chamber of Commerce Hawaii.

Your Committee received written comments on this measure from the Hawaii Public Housing Authority and Hawaii Government Employees Association.

Your Committee finds that utilizing public-private partnerships is an effective way to pursue economic development and revitalization in industries such as tourism, film production, agriculture, clean energy, broadband communications, sports, and technology innovation.

Your Committee believes that establishing an Office of Public-Private Partnership within the Department of Business, Economic Development, and Tourism to facilitate and manage public-private partnerships will encourage and facilitate the development of those partnerships. Your Committee also believes that establishing a permanent state public-private partnership coordinator position within that office, and initiating Aloha Stadium redevelopment through a public-private partnership, will encourage economic development and revitalization that benefits the State.

Your Committee has amended this measure by:

- (1) Expanding the duties of the Office of Public-Private Partnership to also include:
 - (A) Developing and analyzing plans for future public-private partnership projects;
 - (B) Assisting state departments having interests in public-private partnerships;
 - (C) Developing programs to continuously encourage public-private partnership projects to improve infrastructure and government services in the State; and
 - (D) Formulating, and assisting state agencies in formulating, specific program and project proposals to solicit public-private partnerships; and
- (2) Changing the appropriation from \$10,000,000 to an unspecified amount 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. 627, 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. 627, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Harimoto, Riviere). Noes, 1 (Taniguchi). Excused, 1 (Wakai).

SCRep. 1516 Ways and Means on H.B. No. 884

The purpose and intent of this measure is to exempt the construction of certain affordable residential units and second dwelling units, and the alteration or expansion of existing dwelling units, from school impact fees.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority; the Office of Planning; the Department of Planning and Permitting, City and County of Honolulu; Hawaii Association of REALTORS; Hawaii Construction Alliance; Pacific Resource Partnership; Hawaii Rental Housing Coalition; and one individual.

Your Committee received written comments in opposition to this measure from the Department of Education, The Chamber of Commerce Hawaii, Land Use Research Foundation of Hawaii, and the Building Industry Association of Hawaii.

Your Committee received written comments on the measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that a lack of affordable housing, compounded by rising home prices and rental costs, is a significant and challenging problem throughout Hawaii. Your Committee further finds that lowering the cost of construction for new affordable housing units, and the alteration or expansion of existing dwelling units, by exempting those units from school impact fees is a vital component in addressing the shortage of housing in Hawaii.

Your Committee has amended this measure by clarifying that an ohana dwelling unit exempted from school impact fees pursuant to this measure may be occupied by persons who are not related to those residing in the first dwelling unit by blood, marriage, or adoption, if the building permit for the ohana dwelling unit was obtained before September 10, 1992.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 884, 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. 884, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Riviere). Noes, none. Excused, 1 (Wakai).

SCRep. 1517 Ways and Means on H.B. No. 957

The purpose and intent of this measure is to authorize and expedite heat abatement measures at public schools.

Specifically, this measure:

- (1) Authorizes the use of the Hawaii green infrastructure special fund for installation costs for energy-efficient lighting and other energy-efficiency measures related to heat-abatement at public schools;
- (2) Appropriates \$46,400,000 from the special fund to finance those installation costs;
- (3) Authorizes the Department of Education to borrow \$46,400,000 from the Hawaii green infrastructure loan program for those installation costs; and
- (4) Requires the Department of Education to repay the loan using general revenues saved by the reduced utility costs that result from energy-efficient lighting and other energy efficiency measures.

Your Committee received written comments in support of this measure from the Department of Education; Ulupono Initiative; Hawaii State Teachers Association; IMUAlliance; Hawaii Retail Services, LLC; Lumenal Lighting; Energy Management Consulting & Construction, LLC; Hawaii Energy Systems; and Paradise Lighting.

Your Committee received written comments on this measure from the Department of Budget and Finance and the Public Utilities Commission.

Your Committee finds that school classroom air-conditioning is an important but under-appreciated component of effective learning strategies. Your Committee finds, for example, that the percentile gap between students learning in air-conditioned and non-air-conditioned environments can reach as much as seventeen per cent on achievement tests, clearly showing the impact of a comfortable classroom environment on student success. Your Committee also finds that students between the fourth and ninth grades at demographically similar schools showed increased gains in reading vocabulary, total mathematics, problem solving, mathematics procedures, pre-writing, and editing at schools with air conditioning, as compared with their peers from schools without air conditioning. In other words, the longer and more consistently students are exposed to classroom cooling, the better and more stable their performance gains will tend to be.

Your Committee notes that the Public Utilities Commission has recently given approval to the Hawaii Green Infrastructure Authority to deploy up to \$60,000,000 from the Hawaii green infrastructure loan program to the Department of Education for its energy sustainability program. Installation of energy efficiency measures and heat abatement measures could significantly reduce the department's kilowatt load, energy consumption, and costs. Your Committee believes that this measure will provide the necessary statutory framework for the loan transaction.

Your Committee has amended this measure by:

- (1) Changing the appropriation and loan amounts to unspecified amounts; and
- (2) Specifying that the loan from the green infrastructure loan program to the Department of Education will be interest-free.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 957, 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. 957, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1518 Ways and Means on H.B. No. 1478

The purpose and intent of this measure is to appropriate funds for advocating, promoting, developing, testing, and evaluating unmanned aerial system technologies through the Applied Research Laboratory at the University of Hawaii.

More specifically, this measure appropriates funds to:

- (1) Generate multiple unmanned aerial system products, from operation manuals to integration events, to generate corporate and public awareness of the value of unmanned aerial systems to the State;
- (2) Promote community involvement similar to that engaged through the resilience and disaster preparation fairs; and
- (3) Create pathways towards expedited implementation of unmanned aerial system technologies statewide.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii; and nine individuals.

Your Committee finds that many Hawaii businesses may be enhanced, expanded, and made more resilient and prepared for the future by the incorporation of unmanned aerial systems into the business structure. Your Committee believes that state and county policies and procedures need to prepare for, embrace, and encourage incorporation of unmanned aerial systems in the full range of Hawaii's business framework.

Your Committee has amended this measure by adding an appropriation of an unspecified amount for fiscal year 2018-2019.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1478, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1478, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Wakai).

SCRep. 1519 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 83

The purpose and intent of this measure is to:

- (1) Require the Hawaii Interagency Council on Homelessness, in conjunction with and advisement of the Department of Human Services and Department of Land and Natural Resources, to establish a working group to examine and develop recommendations related to the establishment of safe zones for persons experiencing homelessness;
- (2) Require the working group to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2018; and
- (3) Appropriate an unspecified amount to the Department of Human Services to support the activities of the working group.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Ho'omana Pono, LLC; and four individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Governor's Coordinator on Homelessness.

Your Committees find that due to economic constraints, the supply of subsidized housing is, and will continue to be, woefully insufficient for the foreseeable future. Consequently, illegal homeless camps, which are a public health menace, are ubiquitous. The State must therefore explore the establishment of alternative housing options that will ensure that homeless individuals are housed and receive much needed support services. This measure will assist in exploring the feasibility of establishing safe zones for person experiencing homelessness.

Your Committees have amended this measure by:

- (1) Inserting language that requires the working group to consider the potential scope of liability of the State and its employees and agents with regard to the establishment of safe zones; 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. 83, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 83, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 7. Noes, 1 (Harimoto). Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1520 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 463

The purpose and intent of this measure is to:

- (1) Allow any satellite city hall in any county with a population of more than seven hundred thousand persons to issue Hawaii state identification cards beginning on July 1, 2019; and
- (2) Require the Director of Transportation in consultation with the examiner of drivers to submit a report to the Legislature prior to the convening of the Regular Session of 2018 on the progress made and findings and recommendations, including any proposed legislation, funding, and equipment needed for implementation.

Your Committees received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, and three individuals. Your Committees received testimony in opposition to this measure from the Department of Customer Services, City and County of Honolulu.

Your Committees find that many citizens, especially children and the elderly, do not have driver's licenses, yet often need state identification cards. Consequently, it is important to remove barriers that limit citizens' access to obtaining state identification cards. By allowing satellite city halls to issue state identification cards, this measure will provide additional and convenient locations for citizens to obtain needed state identification cards and will reduce travel times, waits, and other stresses that are common at other state identification card issuing locations.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 7, 2059, 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. 463, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 463, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1521 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 573

The purpose and intent of this measure is to:

- (1) Provide a bidder of a public works construction project with two hours after the closing of bids to clarify and correct certain information regarding subcontractors;
- (2) Provide that bids for construction shall be opened no sooner than two hours after the closing of the invitation for bids;
- (3) Prohibit bid shopping and bid peddling for the competitive sealed bidding process; and
- (4) Afford a means of legal redress to originally listed subcontractors affected by bid shopping and bid peddling practices in public works construction projects.

Your Committees received testimony in support of this measure from Alan Shintani, Inc.; Building Industry Association of Hawaii; General Contractors Association of Hawaii; Hawaiian Dredging Construction Company, Inc.; Healy Tibbitts Builders, Inc.; Heartwood Pacific, LLC; Isemoto Contracting Co., Ltd.; Jayar Construction, Inc.; LYZ, Inc.; Nordic PCL Construction, Inc.; Ralph S. Inouye Co., Ltd.; S & M Sakamoto, Inc.; TOMCO CORP.; and one individual. Your Committees received testimony in opposition to this measure from the State Procurement Office; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; Hawaii Tapers Market Recovery Trust Fund; Hawaii Glaziers; Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund;

Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; and Plumbing & Mechanical Contractors Association of Hawaii. Your Committees received comments on this measure from the Department of Accounting and General Services; Regulated Industries Complaints Office, Department of Commerce and Consumer Affairs; Subcontractors Association of Hawaii; and Blazy Construction Inc.

Your Committees find that efforts should be made to deter the unscrupulous practice of bid shopping and bid peddling in the competitive sealed bidding process, and permit injured subcontractor-plaintiffs to recover monetary damages from bidders and substituted subcontractors. This measure accomplishes this goal by prohibiting bid shopping and bid peddling and allowing only limited circumstances under which subcontractors may be substituted for originally listed subcontractors. This measure also provides prime contractors with up to two hours after the closing of bids to ensure the accuracy of subcontractor information included in their bids, thereby reducing the likelihood of bid challenges and subsequent delays in the procurement process.

Your Committees have amended this measure by:

- (1) Inserting a sunset date of July 1, 2019; 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. 573, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 573, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1522 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 845

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety, in collaboration with various agencies and upon request of the inmates, to issue civil identification cards to inmates and to assist inmates in obtaining the inmates' birth certificate, social security card, and other relevant identification necessary for successful reentry into society; and
- (2) Require the Department of Public Safety to initiate the process of assisting inmates released to work furlough, extended furlough, or community placement programs at least ninety days prior to the inmates' release.

Your Committees received testimony in support of this measure from the Judiciary; Department of Health; Department of Public Safety; Office of Hawaiian Affairs; American Civil Liberties Union of Hawai'i; African American Lawyers Association; Americans for Democratic Action Hawai'i; Community Alliance on Prisons; Ho'omana Pono, LLC; The CHOW Project; YWCA O'ahu; and seventeen individuals.

Your Committees find that helping inmates transition back into everyday life is a vital component of successful inmate rehabilitation. One of the problems inmates encounter is that they are incarcerated for long periods and often lose important government documents pertaining to their identities. Upon release, the lack of necessary government-issued identification documents, such as a social security card, birth certificate, or civil identification card, can prevent a former inmate from being able to successfully transition back into society. Therefore, this measure establishes guidelines that require the Department of Public Safety to work with appropriate federal, state, and county agencies to assist eligible inmates in obtaining important government 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 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. 845, 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. 845, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1523 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1135

The purpose and intent of this measure is to:

- (1) Make permanent certain provisions of Act 139, Session Laws of Hawaii 2012, the Justice Reinvestment Initiative, relating to pretrial risk assessments, parole, and parole hearings;
- (2) Create standards and procedures for income-withholding for purposes of enforcing restitution orders;
- (3) Clarify the priority of income withholding orders;
- (4) Amend the definition of "debt" relating to the recovery of money owed to the State to include court-ordered restitution subject to civil enforcement;
- (5) Require that any bail posted by a defendant be applied toward payment of any court-ordered restitution in the same case; and
- (6) Extend victims' access to adult probation records to include access to payment compliance records.

Your Committees received testimony in support of this measure from the Department of Public Safety. Your Committees received comments on this measure from the Judiciary, Department of the Attorney General, and Office of Hawaiian Affairs.

Your Committees find that Act 139, Session Laws of Hawaii 2012, the Justice Reinvestment Initiative, implemented a data-driven justice reinvestment strategy that mandates use of a pretrial risk assessment, reduces sentences for certain parole violations and drug offenses, expands parole, and enhances community-based treatment and victims' services with the intent to reduce spending on corrections and reinvest savings generated in strategies that increase efficiency, reduce recidivism, and ensure accountability of offenders. Your Committees also find that after only the first year of implementation, justice reinvestment led to a four percent decrease in the State's incarcerated population and saved the State \$2,500,000 in fiscal year 2013. This measure retains effective provisions of the Justice Reinvestment Initiative that are set to repeal and establishes additional mechanisms to increase offender accountability and secure restitution payments to crime victims.

Your Committees have amended this measure by:

- (1) Clarifying the definition of "employer" and specifying that the term includes the defendant and limited liability companies; 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. 1135, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1135, H.D. 1, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1524 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 1195

The purpose and intent of this measure is to appropriate funds to the Department of Health and Department of Human Services, including the Office of Youth Services, to provide homeless outreach services.

Your Committees received testimony in support of this measure from the Department of Health, Governor's Coordinator on Homelessness, Office of the Mayor of the County of Hawai'i, American Civil Liberties Union of Hawai'i, Catholic Charities Hawai'i, Community Alliance on Prisons, Drug Policy Action Group, The Drug Policy Forum of Hawai'i, Hawaii Youth Services Network, Housing Now Coalition, IMUAlliance, Ku Aloha Ola Mau, Mental Health America of Hawaii, Partners in Care, PHOCUSED, The Salvation Army Addiction Treatment Services and Family Treatment Services, Community Health Outreach Work Project, YWCA O'ahu, Hawaii Children's Action Network, Parents and Children Together, and ten individuals. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that homelessness continues to increase in Hawaii and Hawaii has the highest rate per capita of homelessness of any state in the nation. Your Committees also find that addressing homelessness requires a variety of approaches, including outreach to specific populations within the homeless community to provide assistance and information regarding services. Those suffering from mental illness or substance abuse and unaccompanied youth are some of the most vulnerable populations within the homeless community. Your Committees find that outreach is critical to direct these individuals to services that address their specific needs and enable alternatives to homelessness.

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. 1195, H.D. 1, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1525 Ways and Means on H.B. No. 1381

The purpose and intent of this measure is to update the licensing laws for elevator mechanics with regard to examinations, license renewals, scope of work, definitions, meetings, the elevator mechanics licensing board, and qualifications for licensure.

Your Committee received written comments in support of this measure from the International Union of Elevator Constructors. Your Committee received comments on this measure from the Department of Labor and Industrial Relations and the Elevator Mechanics Licensing Board, Department of Commerce and Consumer Affairs.

Your Committee finds that this measure is necessary to resolve existing confusion over interpretations of the current licensing laws with regard to an elevator mechanic's scope of work and other matters.

As affirmed by the record of votes of the members of your Committee on Ways and Means 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, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Harimoto, Taniguchi).

SCRep. 1526 Ways and Means on H.B. No. 1272

The purpose and intent of this measure is to specify that coverage for telehealth under the State's Medicaid managed care and fee-for-service programs includes psychiatric services delivered via telehealth through a behavioral health care manager who is present in a primary health care provider's office.

Your Committee received written comments in support of this measure from The Queen's Health Systems, Hawaii Psychiatric Medical Association, American Psychiatric Association, and one individual.

The Department of Human Services, Hawaii Medical Service Association, and Hawaii Psychological Association submitted written comments on the measure.

Your Committee finds that this measure will allow more patients to receive the psychiatric care they need in a timely and efficient manner. Your Committee notes, however, the concerns raised by the Hawaii Medical Service Association in its written comments with respect to including “licensed counselor” in the definition of “behavioral health care manager.” Your Committee recommends that the lead committee chair for the Senate address these concerns during conference 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. 1272, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1527 Ways and Means on H.B. No. 1444

The purpose and intent of this measure is to prohibit persons from acting as pharmacy benefit managers without registering with the Insurance Commissioner.

Your Committee received written comments in support of this measure from six individuals. Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs, Insurance Division; Kaiser Permanente; and CVS Health.

Your Committee finds that pharmacy benefit managers administer drug formularies and determine reimbursements to pharmacies for dispensed medications. Their practice of below-cost reimbursements have a huge financial impact upon small independent pharmacies, who presently have no effective venues in which to bring a grievance or complaint against pharmacy benefit managers. This measure is necessary as a first step to holding pharmacy benefit managers accountable for their actions.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion of the measure.

Should this measure go to Conference, your Committee requests that the Conference Committee consider whether:

- (1) This measure will regulate a previously unregulated profession or vocation, requiring a “sunrise” review by the Auditor under section 26H-6, Hawaii Revised Statutes, before the measure can be enacted; or
- (2) The measure may be enacted with a proviso that explicitly exempts the registration of pharmacy benefit managers from a sunrise analysis.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1444, 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. 1444, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (Galuteria, Inouye).

SCRep. 1528 Ways and Means on H.B. No. 607

The purpose and intent of this measure is to improve the care of elderly persons in the State.

More specifically, this measure:

- (1) Requires the Executive Office on Aging to establish the Kupuna Caregivers Program;
- (2) Makes the establishment of the existing Kupuna Care Program by the Executive Office on Aging mandatory and clarifies the type and scope of kupuna services and supports provided by area agencies on aging within the program; and
- (3) Appropriates moneys for the establishment of the Kupuna Caregivers Program.

Your Committee received written comments in support of this measure from the Executive Office on Aging; AARP Hawaii; Hawaii Family Caregiver Coalition; Hawaii Public Health Association; Policy Advisory Board for Elder Affairs; Catholic Charities Hawaii; Hawaii Section of American Congress of Obstetricians and Gynecologists; Mental Health America of Hawaii; Healthcare Association of Hawaii; Faith Action for Community Equity; Caring Across Generations; Hawaii Appleseed Center for Law and Economic Justice; ILWU Local 142; Key Project; and forty-five individuals.

Your Committee finds that the growth of Hawaii’s aging population continues to accelerate. With the rise in the aging population, the need for long-term care and services for Hawaii’s kupuna has become increasingly widespread. Your Committee further finds that family caregivers often play a vital role in providing long-term care. However, being a caregiver can burden families financially, emotionally, and physically. These burdens can lead to increased stress for caregivers and emotional harm for kupuna who need care, but do not wish to cause stress for their families.

Your Committee has amended this measure by making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Should a Committee on Conference convene on this measure, your Committee respectfully requests that the Committee on Conference consider:

- (1) Amending the language requiring an assessment to be conducted “*if necessary*” (at page 14, lines 16-18), to clarify that “An assessment of the eligible care recipient shall include a statewide, uniform comprehensive in-home assessment, if necessary.” This would eliminate possible contradiction with the language *requiring* an area agency on aging to conduct an intake and

assessment of an individual seeking services and supports to determine whether the individual is eligible for the kupuna care program (at page 14, lines 5-10; and page 15, lines 9-11);

- (2) Specifying that a coach will help with the preparation of a person-centered support plan (at page 14, line 20) to conform that section with the definition of "person-centered support plan" in which a plan is prepared with the help of a coach; and
- (3) Clarifying the difference between paragraphs (4) and (8) in section 349-3.1(j), 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. 607, 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. 607, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Galuteria, Inouye).

SCRep. 1529 Ways and Means on H.B. No. 450

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to study the effects of sunscreen products on coral reefs in Hawaii.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; Office of the Mayor, County of Hawaii; University of Hawaii; The Humane Society of the United States and Humane Society International; Friends of Hanauma Bay; For the Fishes; Ocean Tourism Coalition; and one individual.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that numerous studies conducted across the world have highlighted the detrimental impact of chemicals in sunscreen products on coral health and reproduction. However, your Committee notes that no studies have been conducted to explore the effect of sunscreen products on coral reefs in Hawaii, which are exposed to heavy tourist traffic and high volumes of sunscreen chemicals. Your Committee believes this measure will provide information needed to understand the impact of sunscreen products on coral reefs in Hawaii.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 450, 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, none.

SCRep. 1530 Ways and Means on H.B. No. 480

The purpose and intent of this measure is to promote the growth of the agriculture industry and foster agricultural learning opportunities on the island of Hawaii.

Specifically, the measure:

- (1) Appropriates funds for the Hawaii Community College and University of Hawaii at Hilo, in collaboration with the Department of Agriculture and the Agribusiness Development Corporation, to study existing agriculture program areas for possible collaborative efforts between the two campuses and new agriculture opportunities on the island of Hawaii, and develop a holistic approach to the growth of agriculture and agricultural learning opportunities on the island of Hawaii; and
- (2) Requires the Hawaii Community College to submit a report to the Legislature before the 2018 legislative session.

Your Committee received written comments in support of this measure from the Department of Agriculture, Agribusiness Development Corporation, University of Hawaii, Office of the Mayor of the County of Hawaii, and Hawaii Farm Bureau.

Your Committee finds that the island of Hawaii has the potential to be a strong agricultural contributor to the State, given its nutrient rich soil, tropical climate, and abundance of affordable land. Your Committee recognizes that investing more fully in the existing agricultural learning opportunities provided by the Hawaii Community College and University of Hawaii at Hilo, while also developing new educational opportunities, will help to strengthen the State'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 is in accord with the intent and purpose of H.B. No. 480, 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, none.

SCRep. 1531 Ways and Means on H.B. No. 633

The purpose and intent of this measure is to include aboveground freshwater storage tanks in the definition of "appurtenant works" so that maintenance and repair of those tanks would be eligible for special purpose revenue bond financing when used for dams and reservoirs.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources and the Land Use Research Foundation of Hawaii.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that special purpose revenue bonds are a cost effective way to finance large-scale public interest projects. Dam and reservoir owners are authorized to obtain financing through the special purpose revenue bond program for work on a dam, reservoir, or appurtenant work that is necessary to maintain or improve the dam, reservoir, or appurtenant work.

Your Committee also finds that aboveground freshwater storage tanks are not currently considered appurtenant works for the purposes of special purpose revenue bond financing. Expanding the type of maintenance and repair work that can be financed through special purpose revenue bonds to include aboveground freshwater storage tanks will allow dam and reservoir owners to maintain and improve their facilities in a manner that is cost effective both for dam owners and water consumers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 633, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Galuteria, Harimoto, Taniguchi).

SCRep. 1532 Ways and Means on H.B. No. 839

The purpose and intent of this measure is to provide accountability and transparency with respect to certain funds and expenditures of the Department of Land and Natural Resources.

Specifically, the measure:

- (1) Requires the Auditor to:
 - (A) Conduct a performance audit of the Department of Land and Natural Resources' special land and development fund and land conservation fund, and review contracts, grants, and memoranda of understanding involving those funds; and
 - (B) Conduct an accounting of the funds received and expenditures made by the Department of Land and Natural Resources for the purposes of hosting the 2016 International Union for Conservation of Nature World Conservation Congress, including expenditures of funds appropriated to the Department pursuant to Act 62, Session Laws of Hawaii 2016; and
- (2) Appropriates funds to the Auditor for these purposes.

Your Committee received written comments in support of this measure from the Chamber of Commerce Hawaii and two individuals.

The Department of Land and Natural Resources, Office of the Auditor, Maunaloa Fishpond Heritage Center, and The Trust for Public Land submitted written comments on the measure.

Your Committee finds that periodic audits of governmental funds are in the public interest. Your Committee anticipates that the information and recommendations gained from the audits and accounting will help legislative and executive branch decision makers to address concerns raised about efficient and effective use of departmental resources.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 839, 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, none.

SCRep. 1533 Ways and Means on H.B. No. 849

The purpose and intent of this measure is to restore the University of Hawaii's authority to maintain a separate accounting and financial management system that is compatible with the State's accounting and financial system.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and the University of Hawaii System.

Your Committee finds that on July 1, 2012, the University of Hawaii updated its accounting system to the Kualii Financial System, which is a comprehensive financial software package developed and supported by a consortium of universities that use an open source and partner enhanced process. Your Committee notes that over twenty other schools have adopted the Kualii Financial System. Furthermore, your Committee finds that because the Kualii Financial System is an open source system, there are no large license fees similar to off-the-shelf vended 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 H.B. No. 849, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1534 Ways and Means on H.B. No. 794

The purpose and intent of this measure is to assist the University of Hawaii System in implementing projects that generate energy cost savings.

Specifically, this measure:

- (1) Establishes the University of Hawaii green special fund to collect revenues realized from energy conservation investments and other sources and use those funds for further investments in energy efficiency, renewable energy, and sustainability projects;
- (2) Requires the University of Hawaii to submit an annual report to the Legislature on the funds deposited into the University of Hawaii green special fund; and
- (3) Appropriates \$10,000,000 for energy efficiency, renewable energy, and sustainability projects and services that may be funded by the University of Hawaii green special fund.

Your Committee received written comments in support of this measure from the University of Hawaii System, Ulupono Initiative, and one individual.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that at least eighty-five other universities use a similar green fund as part of their sustainability efforts. Your Committee further finds that a green special fund would support the University of Hawaii's financing of energy conservation efforts along with the repayment of debt on those energy projects. Your Committee believes that a green special fund will help to ensure that the money saved from energy conservation efforts is reinvested into further energy conservation efforts throughout the University of Hawaii System.

Your Committee has amended this measure by:

- (1) Changing the amount appropriated from \$10,000,000 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 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. 794, 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. 794, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1535 Ways and Means on H.B. No. 1339

The purpose and intent of this measure is to restructure the Hawaii Invasive Species Council as the Hawaii Invasive Species Authority, and to provide the new entity with expanded authority and funding to hire staff and carry out interagency invasive species efforts.

Your Committee received written comments in support of this measure from the Department of Agriculture, Department of Land and Natural Resources, Department of Transportation, Hawaii Invasive Species Council, University of Hawaii, Little Fire Ant HUI, Hawaii Farm Bureau, Conservation Council for Hawaii, The Nature Conservancy, Local Food Coalition, Coordinating Group on Alien Pest Species, Hawaii Green Growth, Big Island Invasive Species Committee, and two individuals.

Your Committee received written comments on this measure from the Mayor of the County of Hawaii.

Your Committee finds that the Hawaii Invasive Species Council was established in 2003 to perform a broad spectrum of policy and coordination duties relating to the management and control of invasive species in the State. However, a lack of staff and resources and the multi-agency organizational structure of the Council prevented the Council from maximizing its efforts to address invasive species in the State. Your Committee further finds that by establishing the Hawaii Invasive Species Authority, this measure will focus the authority and responsibility for management and control of invasive species under a single entity and will provide the Authority with dedicated staff and resources to fulfill its mandate.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee has included a \$4,000,000 appropriation for the Hawaii Invasive Species Council for fiscal year 2017-2018, but no appropriation for fiscal year 2018-2019, in Senate Draft 1 of House Bill No. 100, the General Appropriations Act. Your Committee intends to monitor the progress of this measure and the status of creating the Hawaii Invasive Species Authority before deciding on an appropriation for fiscal year 2018-2019.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1339, 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. 1339, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1536 Ways and Means on H.B. No. 1584

The purpose and intent of this measure is to protect important agricultural lands.

More specifically, the measure:

- (1) With regard to the designation of important agricultural lands:
 - (A) Requires the counties to submit recommendations and maps to the Land Use Commission by June 30, 2019;
 - (B) Provides that if a county fails to submit its recommendations and maps by June 30, 2019, the Land Use Commission shall identify and designate important agricultural lands in that county; and
 - (C) Appropriates an unspecified sum of general funds to the counties for the identification and mapping of important agricultural lands; and
- (2) With regard to the important agricultural land qualified agricultural cost tax credit:

- (A) Establishes a cumulative tax credit limit of \$1,000,000 per taxpayer;
- (B) Provides that for taxable years beginning after December 31, 2017, the taxpayer may only claim the tax credit in the taxable year in which the taxpayer incurred the qualified agricultural costs; and
- (C) Authorizes the Department of Agriculture to certify the tax credit for up to fourteen taxable years.

The Department of Agriculture; Office of Planning; Land Use Commission; Ulupono Initiative; Chamber of Commerce Hawaii; Alexander & Baldwin, Inc.; Sierra Club of Hawaii; Land Use Research Foundation of Hawaii; Hawaii Farm Bureau; and one individual submitted written comments in support of this measure.

The Planning Department of the County of Hawaii submitted written comments in opposition to this measure.

The Department of Taxation and Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee recognizes that Act 183, Session Laws of Hawaii 2005, directed each county to work with government and community stakeholders to identify and map potential important agricultural lands within its jurisdiction and make recommendations to the Land Use Commission for the designation of these lands as important agricultural lands. Once designated, agricultural operations on important agricultural lands would be eligible for a variety of state and county assistance and incentive programs, including grants, other funding assistance, tax incentives, favorable infrastructure and permit requirements, and farm and business education assistance.

Your Committee finds, however, that most counties have not completed their identification and mapping responsibilities under Act 183. Therefore, your Committee believes that it may be appropriate to provide a monetary incentive to the counties for the identification and mapping of important agricultural land. Your Committee also believes that it may be appropriate to extend the availability of the important agricultural land qualified agricultural cost tax credit by ten years, to provide landowners and farmers sufficient time to claim the credit.

Your Committee has amended this measure by:

- (1) Clarifying that if the important agricultural land qualified agricultural cost tax credit is being claimed for qualified agricultural costs incurred during a taxable year beginning before January 1, 2018, the taxpayer may claim the credit in consecutive or inconsecutive taxable years until exhausted;
- (2) Inserting appropriations of unspecified sums of general funds for fiscal years 2017-2018 and 2018-2019 to the Department of Agriculture to hire one full-time equivalent planner V (1.0 FTE) to assist with the certification of important agricultural land qualified agricultural cost tax credits; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee notes that it inserted the appropriation for the planner V position based on the Department of Agriculture's representation that the position is necessary for the department to move forward with important agricultural land qualified agricultural cost tax credit certifications. The department estimated that the annual salary range for the position would be \$57,000 to \$81,000, and that with the inclusion of benefits, the position would require an annual appropriation of \$74,000 to \$105,000.

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. 1584, 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. 1584, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1537 Judiciary and Labor on H.B. No. 425

The purpose and intent of this measure is to:

- (1) Make certain sections of the Code of Ethics inapplicable to technology transfer activities sponsored by the University of Hawaii if the activities comply with the regulatory framework and research compliance program approved by the Board of Regents; and
- (2) Require the Board of Regents to submit written status reports on its regulatory framework and research compliance program and technology transfer activities to the Legislature prior to the convening of each Regular Session.

Your Committee received testimony in support of this measure from the University of Hawai'i System and Chamber of Commerce Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii State Ethics Commission and Common Cause Hawaii.

Your Committee finds that the timely and efficient commercialization of intellectual property created by the University of Hawaii's basic and applied research can make valuable contributions to the economic health and diversification of the State. The Board of Regents of the University of Hawaii has established a regulatory framework and compliance program to balance the unique benefits and ethical issues specific to university research and technology transfer, and that program incorporates long-standing ethical research principles and technology transfer regulations currently used by the federal government. By specifying sections of the State Ethics Code that will be inapplicable to the University's technology transfer activities, this measure will facilitate technology transfer at the University and benefit the State's economy.

Your Committee has amended this measure by inserting an effective date of January 1, 2018.

As affirmed by the record of votes of the members 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. 425, 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. 425, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1538 Judiciary and Labor on H.B. No. 437

The purpose and intent of this measure is to:

- (1) Prohibit a waiver of a public hearing for action on a variance application for a shoreline hardening structure that will artificially fix the shoreline, including a seawall, revetment, or groin; and
- (2) Prohibit a variance from being granted for the construction of a shoreline hardening structure unless the applicant can demonstrate that the shoreline hardening structure is necessary to protect an existing legal object, structure, or activity from damage due to shoreline erosion, and the object, structure, or activity cannot reasonably be protected by relocating it outside the shoreline area.

Your Committee received testimony in support of this measure from the Department of Transportation; Office of Hawaiian Affairs; Hawai'i Alliance for Progressive Action; We Are One, Inc.; and fifteen individuals. Your Committee received testimony in opposition to this measure from the Outrigger Enterprises Group, Land Use Research Foundation of Hawaii, and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources and Office of Planning.

Your Committee finds that the purpose of shoreline setbacks is to locate new structures sufficiently inland from the shoreline to conserve open space, minimize interference with natural shoreline processes, and minimize loss of improvements due to erosion. Shoreline hardening structures are necessary in some instances to protect property and infrastructure; however, poor planning and excess of such structures have resulted in the erosion of beaches and shorelines throughout the State. This measure provides greater oversight and accountability and limits the approval of shoreline hardening structures to those instances where the structure is crucial to protect property and infrastructure.

Your Committee notes the written comments submitted by the Office of Planning that no variance application for a shoreline hardening structure can guarantee an approval even when the applicant demonstrates that the shoreline hardening structure is necessary. Furthermore, the Office of Planning submitted several comments regarding findings that the authority should make in determining whether to grant a variance for a shoreline hardening structure that will artificially fix the shoreline.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the suggestions of the Office of Planning to:
 - (A) Delete language that would have prohibited a variance from being granted for the construction of a shoreline hardening structure unless the applicant could demonstrate that the shoreline hardening structure is necessary; and
 - (B) Insert language that establishes findings that the authority must make in determining whether a variance may be granted for a shoreline hardening structure that will artificially fix the shoreline;
- (2) Deleting references to "objects" under the context of relevant structures or activities affected by shoreline erosion; 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. 437, 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. 437, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1539 Judiciary and Labor on H.B. No. 451

The purpose and intent of this measure is to reduce the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one-quarter to one thirty-second.

Your Committee received testimony in support of this measure from the Department of Hawaiian Home Lands, Office of Hawaiian Affairs, Sovereign Councils of Hawaiian Homelands Assembly, and twenty-six individuals.

Your Committee finds that many descendants of lessees of Hawaiian home lands do not qualify as successors because interracial marriages and blended families produce descendants who are less than twenty-five percent Hawaiian. By reducing the minimum Hawaiian blood quantum requirement of certain successors, this measure prevents the disruptions that can create undue hardships of displacement and interference with families' abilities to maintain the equity of their homes and businesses.

Your Committee has amended this measure by inserting an effective date of January 7, 2059, 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. 451, 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. 451, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Gabbard).

SCRep. 1540 Judiciary and Labor on H.B. No. 554

The purpose and intent of this measure is to:

- (1) Authorize psychiatric treatment by administrative order despite a patient's objection to psychiatric treatment for patients committed to a psychiatric facility for involuntary hospitalization or in the custody of the Director of Health and residing in a psychiatric facility and patients who are pretrial detainees or committed persons in the custody of the Department of Public Safety;
- (2) Establish criteria for the issuance of the court or administrative order; and
- (3) Establish criteria for an administrative authorization process to determine whether the administrative order should be issued.

Your Committee received testimony in support of this measure from the Department of Health; Department of Public Safety; State Council on Mental Health; The Queen's Health Systems; The Institute for Human Services, Inc.; and two individuals. Your Committee received comments on this measure from the Department of the Attorney General and Hawaii Disability Rights Center.

Your Committee finds that patients admitted to the Hawaii State Hospital or in custody of the Department of Public Safety may experience acute mental health symptoms that may place the patient or others at risk for harm. Patients may experience auditory, visual, or sensory hallucinations, paranoia, and irrational thoughts or beliefs, and patients may believe they are not ill and thus refuse treatment. Your Committee also finds that existing law authorizes a judicial hearing to determine whether a patient should receive treatment over the patient's objection; however, judicial hearings may not occur for weeks after the filing of the petition, thereby placing patients at high risk of the effects of long-term active psychosis. This measure establishes procedures that are intended to expedite the process to ensure that mental health patients receive proper medical treatment.

Your Committee further finds that because the new procedure established by this measure is administrative rather than judicial in nature, your Committee is concerned that the Department of Health and Department of Public Safety may not currently have the organizational experience and methodologies necessary to sufficiently protect due process based on their existing rules, particularly with respect to indigent persons. As this measure moves forward in the legislative process, your Committee urges these Departments to examine their capabilities and readiness to implement this measure fairly and effectively.

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. 554, 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. 554, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1541 Judiciary and Labor on H.B. No. 727

The purpose and intent of this measure is to allow the operator of a motorcycle or motor scooter to proceed cautiously between stopped lanes of traffic, known as "lane filtering", on certain roadways as determined by the Department of Transportation.

Your Committee received testimony in support of this measure from Street Bikers United Hawaii and ninety-six individuals. Your Committee received comments on this measure from the Department of Transportation.

Your Committee finds that allowing motorcycles and motor scooters to filter through same-bound lanes of stopped traffic, when safe to do so, on main roads, highways, and freeways may reduce the risk of motor vehicle rear-end collisions with motorcycles and motor scooters, lessen overheating problems associated with air-cooled motorcycles and motor scooters, and alleviate traffic congestion.

Your Committee has amended this measure by:

- (1) Allowing shoulders as designated by the Department of Transportation to be used by operators of motorcycles and motor scooters for lane filtering;
- (2) Requiring the Department of Transportation to submit written reports regarding the impact of lane filtering on traffic safety to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2020 and 2021;
- (3) Inserting a sunset date of June 30, 2021; 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. 727, 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. 727, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1542 Judiciary and Labor on H.B. No. 1099

The purpose and intent of this measure is to bring the State in compliance with the Justice for Victims of Trafficking Act of 2015, Public Law 114-22, and the Child Abuse Prevention and Treatment Act of 2010, Public Law 111-320, by:

- (1) Amending the definition of "child abuse or neglect" to ensure that mandated reporters of child abuse and neglect report to the Department of Human Services known or suspected child victims of sex trafficking;
- (2) Ensuring that child abuse and neglect reports that are expunged may be retained by the Department of Human Services for future risk and safety assessment purposes; and
- (3) Replacing references to unsubstantiated reports with not confirmed reports.

Your Committee received testimony in support of this measure from the Department of Human Services, Family Programs Hawaii, and IMUAlliance. Your Committee received testimony in opposition to this measure from the Community Health Outreach Work to Prevent AIDS Project, Harm Reduction Hawaii, Hawaii Family Advocacy Team, National Family Advocacy Team, and one individual. Your Committee received comments on this measure from one individual.

Your Committee finds that to bring the State in compliance with the Justice for Victims of Trafficking Act of 2015, Public Law 114-22, the mandatory reporting of child abuse by certain reporters should be expanded to include reports on known or suspected child victims of sex trafficking. Your Committee also finds that to comply with the Child Abuse Prevention and Treatment Act of 2010, Public Law 111-320, it is necessary to allow the Department of Human Services to retain reports of child abuse and neglect, which are expunged from the State's central registry of reported child abuse and neglect cases, for future risk and safety assessment purposes.

Your Committee has amended this measure by:

- (1) Replacing the definition of "sex trafficking" with the definition of "sex trafficking" in section 712-1202(1)(b), Hawaii Revised Statutes;
- (2) Deleting references to "severe forms of trafficking in persons";
- (3) Requiring mandated reporters of child abuse and neglect to report acts or omissions of any person that have resulted in sex trafficking, rather than acts or omissions of any person that have resulted in a child who is subjected to sex trafficking or severe forms of trafficking in persons;
- (4) Specifying that records and information contained in child abuse and neglect reports that are expunged may be retained by the Department of Human Services solely for future risk and safety assessment purposes;
- (5) Inserting an effective date of January 7, 2059, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1099, 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. 1099, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1543 Judiciary and Labor on H.B. No. 1465

The purpose and intent of this measure is to update statutory language on liquor license application and operating procedures. Specifically, this measure:

- (1) Includes member managed and manager managed limited liability companies under liquor licensing statutes;
- (2) Allows liquor license holders to avoid license transfers upon admission or withdrawal of members or owners of the license holding entity by notifying the liquor commission within a set period of time after a change in membership or ownership of the license holding entity; and
- (3) Clarifies conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure.

Your Committee received testimony in support of this measure from the Maui Hotel & Lodging Association and two individuals.

Your Committee finds that the efficient and equitable treatment of businesses in any licensing process is essential for cultivating a robust economy that benefits the public. Existing statutes relating to liquor licensing are outdated, do not reflect the current state of business practice in the State, including modern forms of business organization such as limited liability companies, make the licensing process inefficient, and serve as an impediment to business.

Your Committee has amended this measure by:

- (1) Inserting language that allows the liquor commission to issue a temporary license when an applicant, transferor, or transferee is actively challenging a tax matter that prevents the issuance of the appropriate certificate; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members 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. 1465, 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. 1465, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1544 Judiciary and Labor on H.B. No. 1518

The purpose and intent of this measure is to:

- (1) Allow an agency to seek a declaratory judgment in the appropriate circuit court for a determination that a requester is a vexatious records requester;
- (2) Establish that the agency has the burden of proof to establish that the requester has a clear pattern of making requests that are manifestly excessive or in bad faith and interfere with an agency's responsibilities; and

- (3) Allow the court to grant further relief, subject to certain conditions.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawai'i System, Office of Information Practices, and Hawaii Health Systems Corporation. 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 the public interest in government affairs is often well served when the public is allowed to scrutinize the records of government agencies, as most record requests that are made under the Uniform Information Practices Act are valid and made in good faith. However, there are requesters who abuse the process, to the detriment of the public, by making repeated and excessive requests in attempts to harass an agency and drain resources. This measure establishes a process by which a requester acting in bad faith may be declared a vexatious records requester to protect and ensure the judicious use of government time and resources.

Your Committee has amended this measure by:

- (1) Clarifying that an agency has the burden of proof to establish by a preponderance of the evidence that the requester has a clear pattern of making records requests that are manifestly excessive or in bad faith and interfere with an agency's responsibilities; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1518, 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. 1518, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1545 Commerce, Consumer Protection, and Health on H.B. No. 347

The purpose and intent of this measure is to:

- (1) Clarify Hawaii's employment security law for independent contractors by requiring the consideration of twenty factors by the Department of Labor and Industrial Relations when determining whether an individual is considered an independent contractor;
- (2) Require the Director of Labor and Industrial Relations (Director) to report to the Legislature prior to the Regular Session of 2018 regarding guidelines developed by the unemployment insurance coverage committee; and
- (3) Require the Director to submit an annual report to the Legislature regarding covered employment determinations.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii; Maui Chamber of Commerce; Envisions Entertainment & Productions, Inc.; DeSilva Meeting Consultants; Society for Human Resource Management, Hawaii Chapter; and two individuals. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations; Hawaii Regional Council of Carpenters; International Longshore and Warehouse Union, Local 142; Hawaii State AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that independent contractors are an important part of Hawaii's business community and economy. Your Committee also finds that the existing Hawaii employment security law has been broadly interpreted when determining who qualifies as an independent contractor versus who is an employee of an employer. This measure seeks to provide greater clarity to those individuals choosing to become entrepreneurs and operate as independent contractors by setting forth in greater detail the criteria used to determine independent contractor status.

Your Committee has amended this measure by:

- (1) Clarifying that an individual is an independent contractor regardless of whether the common law relationship of employer and employee exists unless it is shown to the Department of Labor and Industrial Relations that certain conditions are met; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 347, 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. 347, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1546 Commerce, Consumer Protection, and Health on H.B. No. 1475

The purpose and intent of this measure is to:

- (1) Permit farmers' markets and food hubs on lands in an agricultural district; and
- (2) Require that value-added products displayed and sold by agricultural-based commercial operations in agricultural districts contain at least fifty percent Hawaii-grown content.

Your Committee received testimony in support of this measure from the Department of Agriculture. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Land Use Commission and Hawai'i Farm Bureau.

Your Committee finds that farmers in Hawaii face many challenges in achieving economic sustainability, including the limited availability of reliable markets and food hubs, which are facilities used to secure food and process value-added products. Food hubs, farm stands, and other retail sales opportunities can be significant revenue-enhancing opportunities for the State's farmers and ranchers. This measure therefore permits farmers' markets and food hubs to operate on agricultural lands, which will provide additional marketing opportunities for farmers and ranchers to sell the products they grow.

However, your Committee has heard the concerns regarding the requirement in this measure that value-added products contain at least fifty percent Hawaii-grown content. According to testimony received by your Committee, many value-added products utilize locally-grown products; however, many times the featured locally-grown product is not the main product by percentage. Furthermore, many value-added products made in Hawaii use sugar as a major ingredient, but can no longer include local sugar, due to the recent closing of Hawaiian Commercial & Sugar Co. Thus, there is concern that requiring fifty percent Hawaii-grown content could unintentionally reduce the amount of local value-added products being sold at agricultural-based commercial operations. Your Committee understands these concerns and encourages further discussions on ways to note a value-added product contains Hawaii-grown product, such as listing Hawaii-grown products on the label.

Your Committee has amended this measure by:

- (1) Requiring value-added products displayed and sold by agricultural-based commercial operations in agricultural districts to contain an unspecified percent, rather than fifty percent, of Hawaii-grown content;
- (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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1475, 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. 1475, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1547 Commerce, Consumer Protection, and Health on H.B. No. 775

The purpose and intent of this measure is to:

- (1) Repeal the requirements that the Department of Agriculture (Department) grant permission prior to the removal of eggs from any dock or landing and certify that eggs contained in a shipment are properly marked;
- (2) Require importation and other documents to be furnished to the Department before imported eggs are offered for sale; and
- (3) Provide that a violation of section 147-75, Hawaii Revised Statutes, relating to required notice of grade and size and designation of origin of imported eggs, shall be considered an unfair method of competition and unfair or deceptive act or practice for which a person may bring an action.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that to ensure quality, condition, and proper designation of origin, eggs imported into the State from the mainland United States are USDA certified, which requires distributors and mainland egg suppliers to submit the appropriate paperwork and certificates to the Department for all incoming mainland eggs. However, requiring the Department to issue certificates before these eggs can be removed from any dock or landing is redundant and a misallocation of limited Department resources. Your Committee notes that this measure does not affect the Department's authority and ability to enforce laws and rules prohibiting mislabeled or unmarked imported eggs. Rather, this measure enables the Department to better utilize staff resources to monitor the egg industry and strengthens enforcement capabilities against persons who mislabel imported eggs.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1548 Judiciary and Labor on H.B. No. 308

The purpose and intent of this measure is to allow county council members to transmit government records to other county council members under specified conditions.

Your Committee received testimony in support of this measure from the Office of Information Practices and The Civil Beat Law Center for the Public Interest. Your Committee received comments on this measure from the County Council, County of Maui and Hawai'i State Association of Counties.

Your Committee finds that the Hawaii Supreme Court held in *Kanahele v. Maui County Council*, 130 Haw. 228 (2013), that memoranda or transmittals that are subject to the Sunshine Law and circulated among county council members were not permitted interactions under section 92-2.5, Hawaii Revised Statutes (HRS). As a result, county council members are prevented from transmitting government records related to council business to each other. By establishing certain parameters on the information that can be transmitted and conditions under which the transmission may occur, this measure increases government transparency and efficiency.

Your Committee has amended this measure by:

- (1) Clarifying that the transmittal document and government record must be filed in the council's office for public inspection concurrently with, rather than on the same day as, the transmission of the documents between council members;
- (2) Making a conforming amendment to section 279D-9(b), HRS, to reflect the amendments made to section 92-2.5, HRS; 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. 308, 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. 308, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1549 (Joint) Judiciary and Labor and Ways and Means on H.B. No. 847

The purpose and intent of this measure is to establish the Innovation and Commercialization Initiative Program to expressly give the University of Hawaii the legal authority to create, finance, and participate in new economic enterprises and expand workforce opportunities based on inventions and discoveries generated by or at the University.

Your Committees received testimony in support of this measure from the University of Hawaii System, The Chamber of Commerce Hawaii, Hawaii Business Roundtable, Hawaii Venture Capital Association, University of Hawaii Professional Assembly, XLR8UH, Sultan Ventures, and one individual. Your Committees received comments on this measure from the State Procurement Office, Hawaii State Ethics Commission, Office of Information Practices, and one individual.

Your Committees find that the Legislature has a history of authorizing and providing funds to support efforts by state agencies to promote entrepreneurial development, support research commercialization, and provide access to startup investment capital. Commercialization contributes to a more diverse workforce in the State and promotes a robust and dynamic economy. The University of Hawaii is a research and teaching institution and is in a valuable position to identify promising innovations and new discoveries arising from university research. In order to remain competitive with its peers, the University of Hawaii must develop its capacity to commercialize its intellectual property. This measure will allow the University to undertake commercialization activity with greater legal certainty and clarity.

Your Committees have amended this measure by:

- (1) Deleting language that exempts any advisory committee appointed by the University of Hawaii in implementing the Innovation and Commercialization Initiative Program from being subject to chapter 92, Hawaii Revised Statutes; 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. 847, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 847, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.
Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.
Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).

SCRep. 1550 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 1471

The purpose and intent of this measure is to:

- (1) Allow a transient accommodations broker to register with the Department of Taxation as a tax collection agent on behalf of its operators and plan managers;
- (2) Impose registration, filing, and compliance requirements on operators and plan managers for purposes of collecting general excise tax and transient accommodations tax and compliance with all relevant state and county land use laws; and
- (3) Require the Director of Taxation to transfer to the counties an unspecified percentage of the transient accommodations tax and general excise tax collected, upon the counties' establishment of a process for providing verification of compliance by an operator or plan manager with the applicable county land use laws.

Your Committees received testimony in support of this measure from the Department of Planning and Permitting, City and County of Honolulu; Hawai'i Appleseed Center for Law and Economic Justice; Maui Chamber of Commerce; Hawai'i Lodging & Tourism Association; American Hotel and Lodging Association; UNITE HERE!, Local 5 Hawaii; U.S. Green Building Council, Hawai'i Chapter; Marriott Hotels & Resorts; Hilton Hawaii; Marriott Vacations Worldwide; Trump International Hotel, Waikiki; Airbnb; and three individuals. Your Committees received testimony in opposition to this measure from the Coalition for Equal Taxation; International Longshore and Warehouse Union, Local 142; Rental By Owner Awareness Association; Internet Association; Condominium Rentals Hawaii; Expedia Inc.; and twenty individuals. Your Committees received comments on this measure from the Department of the Attorney General; Department of Budget and Finance; Department of Taxation; Office of Hawaiian Affairs; Hawai'i Tourism Authority; Planning Department, County of Maui; 'Āina Haina Community Association; Tax Foundation of Hawaii; Land Use Research Foundation of Hawaii; Save O'ahu's Neighborhoods; and six individuals.

Your Committees find that permitting transient accommodations brokers to act as tax collection agents, similar to how multi-level marketing organizations may act as tax collection agents on behalf of their direct sellers, eases the burden of reporting and remitting taxes for taxpayers and promotes efficient tax collection by lessening the burden of processing, auditing, and collecting from individual taxpayers.

Your Committees further find that with the popularity of transient accommodations websites, the number of transient vacation rental operators in the State has ballooned. However, according to testimony received by the City and County of Honolulu, Department of Planning and Permitting, an overwhelming majority of units advertised on online sites are believed to be operating without a valid permit. Furthermore, the Department of Planning and Permitting has indicated that it has found it increasingly difficult to keep up with enforcement efforts related to illegal vacation rentals. Accordingly, this measure will assist in enforcement efforts by requiring operators and plan managers to verify compliance with state and county land use and tax laws and providing a percentage of collected general excise and transient accommodation taxes to any county that establishes a process of providing verification of compliance by an operator or plan manager. Your Committees note that the City and County of Honolulu has developed a new platform, Lōkahi, which will make tracking usage of transient vacation rentals much easier. Additionally, the information related to transient vacation rentals required by this measure to be provided to the Director of Taxation will also help the counties in their enforcement efforts by contributing to the preponderance of evidence standard that the counties must meet when proving that certain illegal property use is ongoing.

Your Committees also note that the Departments of the Attorney General and Taxation have offered suggested amendments to help clarify certain aspects of this measure. In particular, your Committees understand the concerns raised in testimony from the Attorney General that certain provisions in this measure may be subject to challenge as being preempted by the federal Communications Decency Act. Amendments to this measure are therefore needed to address these concerns.

Your Committees have amended this measure by:

- (1) Clarifying that the transient accommodations broker tax collection agent (agent) is required to collect, report, and pay the general excise and transient accommodations taxes on behalf of operators and plan managers;
- (2) Clarifying that the agent and the operator or plan manager are jointly and severally liable for the general excise and transient accommodations taxes due by the operator or plan manager, if the agent fails to report or pay taxes on behalf of the operator or plan manager;
- (3) Clarifying the persons who shall be personally liable for general excise and transient accommodations taxes when the agent is an entity;
- (4) Clarifying that the agent is required to disclose certain information contained in required returns or cover sheets when the proper request is made by the Director of Taxation or Mayor of the applicable county and ensuring that the Director of Taxation and county official designated by the Mayor are able to examine and copy the tax returns and cover sheets;
- (5) Clarifying that all agents must inquire with their operators and plan managers to determine whether the transient accommodation is in compliance with all pertinent state and county land use and tax laws;
- (6) Clarifying that operators or plan managers are required to provide verification of compliance with state and county land use laws in the form of a written certification, verification, or permit, as may be applicable, issued by the appropriate county agency;
- (7) Removing language that would have required a transient accommodations broker to remove any advertisement for a transient accommodation where an operator or plan manager has failed to comply with applicable land use, zoning, or tax requirements; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1471, H.D. 3, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1471, H.D. 3, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Kidani).

Ways and Means: Ayes, 10. Noes, none. Excused, 1 (Wakai).

SCRep. 1551 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 637

The purpose and intent of this measure is to:

- (1) Amend the time frame for the review, update, and adoption of the Uniform Plumbing Code, as it related to the Hawaii State Building Codes; and
- (2) Appropriate funds for the State Building Code Council.

Your Committees received testimony in support of this measure from the Board of Water Supply, City and County of Honolulu; Hawai'i Green Growth; The Nature Conservancy of Hawai'i; Hawai'i Fresh Water Initiative; One World One Water, LLC; U.S. Green Building Council, Hawaii Chapter; Sierra Club of Hawai'i; Plumbers and Fitters UA, Local Union 675; and three individuals. Your Committees received testimony in opposition to this measure from the State Building Code Council; General Contractors Association of Hawaii; Hawaii Laborers-Employers Cooperation and Education Trust; Hawaii Laborers Union, Local 368; and Building Industry Association of Hawaii.

Your Committees find that adoption of newer building codes can promote more efficient designs, which take into consideration advances in geological and environmental science. For example, the updated Uniform Plumbing Code includes the adoption of non-potable water plumbing codes for buildings to conserve water resources. Your Committees further find that such conservation efforts are vital to the State's future health. Accordingly, this measure seeks to expedite the review, update, and adoption of the Uniform Plumbing Code as it relates to the Hawaii State Building Codes.

However, your Committees understand the concerns raised in testimony offered by the State Building Code Council, that expediting the time frame for updating the Hawaii State Building Codes is unrealistic, given the Council's staffing issues and inadequate funding. Your Committees recognize these concerns and note that, rather than shortening the time frame in which the Council has to adopt amendments to the Hawaii State Building Codes, an alternative may be to permit the codes to be adopted as interim building codes if no action is taken within the existing statutory time frame.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that the Department of Accounting and General Services (Department) shall adopt rules related to the Hawaii State Building Codes no later than two years after the adoption of the codes by the State Building Code Council;
- (2) Specifying that the Hawaii State Building Codes shall become the interim building codes for the design of all state building construction if the Department fails to adopt rules for the codes, but clarifying that requirements in the interim codes shall not be less stringent than existing code requirements;
- (3) Clarifying that the Hawaii State Building Codes shall become applicable as an interim county building code if a county does not amend the Hawaii State Building Codes within two years or the Department does not adopt rules relating to the building codes;
- (4) Authorizing the receipt and use of private funding during fiscal year 2017-2018 by the State Building Code Council to conduct public hearings and develop administrative rules related to the adoption of amendments to the State Building Code;
- (5) Removing language that would have required the State Building Code Council to review and adopt amendments to the Uniform Plumbing Code within an unspecified time frame after the updated Uniform Plumbing Code is published;
- (6) Removing language that would have required each county to adopt amendments to the Uniform Plumbing Code within an unspecified time frame after the Code was adopted by the State Building Code Council;
- (7) Removing language that would have appropriated an unspecified sum for the State Building Code Council; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that this amended measure expects funding for the State Building Code Council to be provided by private sources during the first year of the current fiscal biennium. Your Committees contemplate that for the second year of the fiscal biennium, the State Building Code Council can request state funding. However, your Committees acknowledge that additional discussion regarding appropriate sources of funding for the State Building Code Council may be warranted as this amended measure moves through the legislative process.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 637, 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. 637, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Kidani).

Ways and Means: Ayes, 10. Noes, none. Excused, 1 (Wakai).

SCRep. 1552 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 848

The purpose and intent of this measure is to encourage and facilitate the development and use of microgrids by requiring the University of Hawaii to develop a plan for one microgrid demonstration project on university property.

Your Committees received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Hilo, University of Hawai'i West Oahu, and one individual. Your Committees received testimony in opposition to this measure from the Chamber of Commerce Hawaii and Land Use Research Foundation of Hawaii. Your Committees received comments on this measure from the Public Utilities Commission and Hawaiian Electric Company, Inc.

Your Committees support the advancement of renewable energy and energy efficiency in Hawaii, and recognize that microgrids are an increasingly utilized technology that can help expand the use of clean energy in the State. Microgrids can facilitate the achievement of Hawaii's clean energy policies by enabling the integration of higher levels of renewable energy and advanced distributed energy resources, including energy storage and demand response.

Your Committees also support the University of Hawaii's objectives of reducing costs and meeting renewable energy goals, including the State's goal of one hundred percent clean energy by 2045. Your Committees find that the University expends substantial amounts each year on electricity costs, and that renewable energy projects have cost savings potential. Your Committees appreciate the need for microgrids and the advancement of energy efficiency efforts at the University of Hawaii, and hope to begin those efforts with a microgrid plan that takes into consideration the complex nature of developing a microgrid in Hawaii.

Your Committees intend for the microgrid plan to help lower energy costs at the University of Hawaii, including monthly savings on the University's facilities energy bill. The University of Hawaii may consider monetizing University of Hawaii West Oahu lands by offering the land as a site for renewable energy development. Your Committees also intend for the microgrid plan to be fair and beneficial to all affected electric customers. The plan should require the University of Hawaii to pay a fair share to access the microgrid and allow the University to receive benefits that it provides to the grid through demand response or other tariffs payment for grid service. At a minimum, the microgrid plan shall complement and provide a positive benefit to the larger energy system to be fair to all customers.

Your Committees further intend for the microgrid plan to ensure that electric service for the University and other customers remains safe and reliable. Finally, your Committees intend for the microgrid plan to measure and ensure progress toward achieving the University's net-zero energy goal. Your Committees expect that the proposals in the microgrid plan will be aligned with the on-going

efforts of the Public Utilities Commission. Your Committees note that this measure does not authorize wheeling due to an open Public Utilities Commission docket and the complex safety and technology requirements involved with Oahu having only one grid that was not originally designed for wheeling.

Your Committees have amended this measure by:

- (1) Requiring that the location of the microgrid project selected by the University of Hawaii be on the Island of Oahu;
- (2) Inserting a provision that requires the University of Hawaii to develop the plan in collaboration with the electric utility that typically provides service to the location selected for the microgrid project;
- (3) Inserting language that provides the following four objectives for the microgrid plan:
 - (A) Lower energy costs to the University of Hawaii;
 - (B) Ensuring the plan is fair and provides benefits to other electric customers;
 - (C) Maintain safety and reliability of the electric service for the University of Hawaii and other electric customers; and
 - (D) Demonstrate progress toward achieving the University of Hawaii's net-zero renewable energy goal;
- (4) Inserting a provision that requires the University of Hawaii, electric utility, and Public Utilities Commission to submit quarterly status reports to the Legislature to ensure that progress is being made on the microgrid plan;
- (5) Requiring the University of Hawaii to report to the Legislature prior to the Regular Session of 2019 instead of the Regular Session of 2018;
- (6) Inserting the United States Department of Energy's definition of the term "microgrid";
- (7) Updating the purpose section; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 848, 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. 848, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Kidani).

Ways and Means: Ayes, 10. Noes, none. Excused, 1 (Wakai).

SCRep. 1553 Ways and Means on H.B. No. 235

The purpose and intent of this measure is to address the coverage of acupuncture treatments provided under motor vehicle insurance.

More specifically, this measure:

- (1) Clarifies that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits shall be tied to the charges, and subsequent increases in charges, permissible under the Workers' Compensation Supplemental Medical Fee Schedule; and
- (2) Clarifies that the number of acupuncture treatments allowed under personal injury protection benefits may not exceed thirty visits, and that the visits shall be counted separately from naturopathic or chiropractic visits.

Your Committee received written comments in support of this measure from Hawaii Oriental Medicine and Acupuncture Association, Institute of Clinical Acupuncture and Oriental Medicine, Windward Acupuncture, Maui Acupuncture, and six individuals.

Your Committee received written comments in opposition to this measure from State Farm Mutual Automobile Insurance Company, Hawaii Insurers Council, and Property Casualty Insurers Association of America.

Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that licensed acupuncturists provide citizens with an important and popular form of treatment. While acupuncture treatments are covered under the personal injury protection benefits of motor vehicle insurance, the reimbursement rate for licensed acupuncturists under this insurance has not increased for nearly two decades. Tying the authorized benefit for acupuncture treatments allowed under personal injury protection benefits to the charges permissible under the Workers' Compensation Supplemental Medical Fee Schedule will result in periodic fee adjustments for licensed acupuncturists.

Your Committee notes the following concerns regarding this measure:

- (1) The Hawaii Revised Statutes currently caps the combined number of naturopathic, chiropractic, and acupuncture treatments allowed under personal injury protection benefits at thirty visits per year. By removing acupuncture treatments from this list but still allowing up to thirty covered acupuncture treatments, the number of total treatments covered by an insurance policy is doubled from thirty to sixty. The State Insurance Commissioner notes that the doubling of allowed visits will likely lead to across-the-board increased costs to all motor vehicle insurance policyholders; and
- (2) Untying the covered number of acupuncture treatments from the combined number of covered naturopathic and chiropractic treatments may set a precedent for covering a specific amount of visits for individual types of treatment rather than bundling the covered treatments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 235, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1554 Ways and Means on H.B. No. 1244

The purpose and intent of this measure is to facilitate the upgrade, conversion, or sewerage connection of cesspools in the State.

More specifically, the measure:

- (1) Amends the cesspool upgrade, conversion, or connection income tax credit to:
 - (A) Make the tax credit refundable;
 - (B) Expand the criteria for cesspools that qualify for the tax credit; and
 - (c) Extend the sunset date of the law for the credit to December 31, 2022;
- (2) Requires each cesspool to be upgraded or converted to a septic or aerobic treatment unit system, or connected to a sewerage system, by January 1, 2050, unless the property owner obtains an exemption from the Director of Health;
- (3) Establishes a cesspool compliance grant program to help homeowners pay cesspool upgrade, conversion, or connection costs; and
- (4) Appropriates funds to the Department of Health for the purposes of the cesspool upgrade, conversion, or connection mandate and the cesspool compliance grant program.

Your Committee received written comments in support of this measure from the Department of Health; U.S. Green Building Code Council, Hawaii Chapter; The Nature Conservancy; Surfrider Foundation; Sierra Club of Hawaii; and one individual.

Your Committee received written comments in opposition to this measure from the Office of the Mayor, County of Hawaii.

Your Committee received written comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and one individual.

Your Committee finds that every day, approximately ninety thousand cesspools in the State discharge approximately fifty-five million gallons of untreated sewage into the groundwater, from which comes ninety-five percent of all of Hawaii's drinking water. Because groundwater also flows into streams and the ocean, untreated water from cesspools threatens public health and harms the environment, including beaches and coral reefs. Your Committee believes that the mandate imposed and the monetary grants authorized by this measure will facilitate the phasing out of most cesspools.

Your Committee has amended this measure by:

- (1) Deleting all provisions relating to the cesspool upgrade, conversion, or connection income tax credit;
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee notes that the measure does not place any limit on the amount of funds that a homeowner may receive from the cesspool compliance grant program, nor does it define the term "homeowner" for the purposes of that program. Your Committee also notes that the measure allows a property owner to receive an exemption from the cesspool upgrade, conversion, or sewerage connection mandate based on reasons that are very general and are left to the discretion of the Department of 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 H.B. No. 1244, 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. 1244, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Galuteria, Inouye).

SCRep. 1555 Ways and Means on H.B. No. 844

The purpose and intent of this measure is to establish safe places that offer shelter, programs, and support to at-risk youth under the age of eighteen.

Specifically, the measure:

- (1) Requires the Office of Youth Services, in partnership with private organizations, to coordinate a two-year Safe Places for Youth pilot program through which youth can access a network of safe places and obtain advice, guidance, programs, and services; and
- (2) Appropriates funds for a Safe Places for Youth pilot program coordinator position and residential options for the pilot program.

Your Committee received written comments in support of this measure from the Judiciary, Planned Parenthood Votes Northwest and Hawaii, Community Alliance on Prisons, Hawaii Youth Services Network, The CHOW Project, and three individuals.

Your Committee finds that youth homelessness is a serious and prevalent issue in the State, and that the pilot program established by this measure, like other "Safe Place" initiatives throughout the country, aims to provide outreach and prevention services to young people in need of immediate help and safety.

Your Committee has amended this measure by:

- (1) Requiring the Office of Youth Services to report to the Legislature on its findings and recommendations, including any proposed legislation, no later than twenty days before the start of the 2019 Regular Session; and
- (2) Correcting the reference to the “National Runaway Switchboard” to instead reference the “National Runaway Safeline.”

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 844, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 844, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1556 Ways and Means on H.B. No. 1098

The purpose and intent of this measure is to enhance the functioning of the State’s homeless emergency shelters.

Specifically, the measure:

- (1) Amends Act 234, Session Laws of Hawaii 2016, to permit, rather than require, emergency shelters to have partitioned space for homeless persons or families and allows differences in partition specifications among emergency shelters to be determined by the Department of Human Services;
- (2) Delays the requirement that contracts between the Department and emergency or transitional shelter provider agencies comply with Act 234, Session Laws of Hawaii 2016, by one year, so that the requirement applies to contracts that take effect after June 30, 2018; and
- (3) Delays the effective date of Act 234, Session Laws of Hawaii 2016, by one year, to July 1, 2018.

Your Committee received written comments in support of this measure from the Governor’s Coordinator on Homelessness, the Department of Human Services, and Catholic Charities Hawaii.

Your Committee finds that Act 234, Session Laws of Hawaii 2016, established minimum requirements for every homeless emergency shelter operated by a provider agency under contract with the Department of Human Services, in order to make more emergency shelter space available in a cost-effective manner. At the same time, your Committee recognizes that emergency shelters in rural and urban communities have distinct differences and needs. Your Committee finds that the Department of Human Services would benefit by having more time to determine how to bring these shelters with diverse needs into compliance with the requirements of Act 234.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1098, 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, none.

SCRep. 1557 Ways and Means on H.B. No. 213

The purpose and intent of this measure is to expand employee protections under the State’s family leave law.

Specifically, the measure:

- (1) Permits an employee to take family leave to care for the employee’s sibling with a serious health condition or upon the death of the employee’s child, spouse, reciprocal beneficiary, sibling, or parent; and
- (2) Specifies notice and certification requirements.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association, Hawaii State Teachers Association, and International Longshore and Warehouse Union Local 142.

Written comments in opposition were received from the Hawaii Restaurant Association, Hawaii Food Industry Association, Hawaii Credit Union League, Maui Chamber of Commerce, Kahala Nui, John Mullen and Company, SHRM Hawaii, and two individuals.

The Department of Labor and Industrial Relations, Policy Advisory Board for Elder Affairs, Healthy Mothers Healthy Babies Coalition of Hawaii, and Hawaii Children’s Action Network submitted written comments on the measure.

Your Committee finds that expanding the scope of coverage under the family leave law recognizes that the concept of “ohana” in Hawaii involves a broader definition of family and family duties. Employees may need time away from work to care for a sibling with a serious health condition or address matters that arise after the death of the employee’s child, spouse, reciprocal beneficiary, sibling, or parent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 213, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Riviere). Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1558 Ways and Means on H.B. No. 810

The purpose and intent of this measure is to allow public sector collective bargaining parties to use arbitration to resolve impasses related to contributions to the Hawaii Employer-Union Health Benefits Trust Fund.

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 and the Office of Collective Bargaining.

Your Committee received written comments on this measure from the Department of Human Resources of the City and County of Honolulu and the University of Hawaii Professional Assembly.

Your Committee finds that binding arbitration is a method of resolving disputes between parties that has proven successful and cost effective. Currently, parties that engage in collective bargaining regarding public employees can negotiate over a broad variety of topics relating to employment. However, the Hawaii Revised Statutes relating to public sector collective bargaining prohibit the use of arbitration to resolve collective bargaining impasses over the amount of state and county contributions into the Hawaii Employer-Union Health Benefits Trust Fund. Allowing contributions into the Hawaii Employer-Union Health Benefits Trust Fund to be included in collective bargaining arbitration proceedings gives parties the opportunity to present, review, and accept more comprehensive collective bargaining agreement offers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 810, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 4 (English, Harimoto, Inouye, Kahele).

SCRep. 1559 Ways and Means on H.B. No. 1031

The purpose and intent of this measure is to facilitate compliance with Internal Revenue Service requirements by authorizing the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to perform criminal history record checks on employees, prospective employees, and contractors who have access to federal tax information.

Your Committee received written comments in support of this measure from the Department of Taxation, Department of Human Services, Department of Labor and Industrial Relations, Department of the Attorney General, and the Mayor of the County of Hawaii.

Your Committee finds that the Internal Revenue Service recently mandated that all agencies that receive federal tax information perform background checks, including a Federal Bureau of Investigation fingerprint search, on all employees who have access to federal tax information. This measure will allow the Child Support Enforcement Agency and the Departments of Taxation, Human Services, and Labor and Industrial Relations to comply with these new federal requirements and continue to perform their core functions.

Your Committee notes that provisions allowing an agency to deny employment to a “contractor” and “employee or agent of the contractor” are not consistent across the four agencies listed in the measure. Specifically, this measure expressly grants certain agencies the authority to deny employment to “an employee or agent of the contractor” while other agencies are not given this express authority. Your Committee further notes that the Mayor of the County of Hawaii requested that this measure be amended to grant the counties authority to conduct criminal history record checks on current and prospective employees and contractors that have or will have access to federal tax information. Your Committee respectfully requests that the Committee on Conference convened for this measure consider the foregoing issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1031, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1560 Ways and Means on H.B. No. 1580

The purpose and intent of this measure is to commence the transition to one hundred percent clean ground transportation in Hawaii.

Specifically, this measure:

- (1) Establishes a Hawaii Clean Ground Transportation Initiative that requires the Department of Transportation, in collaboration with the State Energy Office, to identify a plan to establish the goal of eliminating the use of fossil fuels for ground transportation by the year 2045;
- (2) Requires the Hawaii Clean Energy Initiative Program of the Department of Business, Economic Development, and Tourism to design, implement, and administer:
 - (A) A plan to reduce fossil fuel consumption for ground transportation by five percent by the year 2025 and to issue periodic reports establishing additional benchmarks to further reduce fossil fuel consumption for ground transportation; and
 - (B) A plan to achieve the deployment of electric vehicle charging infrastructure by the year 2025; and
- (3) Amends the State Planning Act to conform the planning for state facility systems with the goal of eliminating the use of fossil fuels for ground transportation by the year 2045.

Your Committee received written comments in support of this measure from the Department of Transportation; Office of Economic Development, County of Kauai; Kanehili Cultural Hui; Ulupono Initiative; Avalon Group, LLC; Blue Planet Foundation; Healthy Climate Communities; Citizens’ Climate Lobby, and thirty individuals.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism; Hawaii Petroleum Marketers Association; Hawaii Transportation Association; Hawaiian Electric Companies; Island Energy Services; Hawaii Energy Policy Forum; Alliance of Automobile Manufacturers; and Hawaii Automobile Dealers Association.

While this measure does not establish a mandate for one hundred percent fossil fuel ground transportation, your Committee finds that unlike the State's 2045 renewable energy goal, the measure does provide planning guidance for state facilities and state facility systems to accommodate a future where the ground transportation sector consists entirely of vehicles powered by renewable energy.

Your Committee further finds that amending the portions of the State Planning Act applicable to state facility systems, including public infrastructure, to enable a fossil fuel-free ground transportation sector by the year 2045 will help to align the State's transportation energy goals with the existing goal of one hundred percent renewable energy by the year 2045. This will enable a more holistic approach to support renewable energy in the State.

Your Committee believes that establishing a 2025 target year for measurable reductions that is separate from, but consistent with, the year 2045 planning goal, will provide a significant intermediate step leading to the ultimate elimination of fossil fuel consumption for ground transportation.

Your Committee has amended this measure by:

- (1) Requiring the Department of Transportation, in soliciting the input of stakeholders regarding the Hawaii Clean Ground Initiative, to obtain input from ground transportation fuel providers;
- (2) Deleting the requirement for the Hawaii Clean Energy Initiative Program to design, implement, and administer a plan to achieve the deployment of electric vehicle charging infrastructure;
- (3) Authorizing the Hawaii Clean Energy Initiative Program to exclude new target benchmarks for the reduction of fossil fuel consumption in ground transportation if the Department of Business, Economic Development, and Tourism determines that the target benchmarks cannot be met in a manner that is beneficial to the economy of Hawaii, or due to technological limitations or other barriers that preclude clean ground transportation alternatives;
- (4) Requiring that the periodic reports by the Hawaii Clean Energy Initiative Program regarding new benchmarks to reduce fossil fuel consumption for ground transportation specifically include a request for an appropriation for analyses to develop new benchmarks for the next report;
- (5) Amending the State Planning Act to require that planning for state facilities with regard to transportation and energy be directed towards eliminating, by the year 2045, Hawaii's dependence on imported fossil fuels for ground transportation and electrical generation; and
- (6) Changing the effective date to July 1, 2020, 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. 1580, 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. 1580, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1561 Commerce, Consumer Protection, and Health on H.B. No. 1418

The purpose and intent of this measure is to amend the county exemptions from building permit and building code requirements to ensure that Hawaii's communities are not suspended from participation in the National Flood Insurance Program.

Your Committee received testimony in support of this measure from the Department of Agriculture; Department of Commerce and Consumer Affairs; Department of Land and Natural Resources; Hawaii Housing Finance and Development Corporation; Hawaii Emergency Management Agency; Department of Emergency Management, City and County of Honolulu; Department of Planning and Permitting, City and County of Honolulu; County of Hawai'i, Office of the Mayor; County of Hawai'i, Department of Public Works; American Council of Engineering Companies of Hawaii; Hawai'i Association of REALTORS; Hawaii Bankers Association; Hawaii Financial Services Association; The Maritime Group, LLC; Building Industry Association of Hawaii; Hawaii Credit Union League; Hawaii Independent Insurance Agents Association; Hawaii Cattleman's Council, Inc.; Hawai'i Farm Bureau; and two individuals.

Your Committee finds that changes made by Act 203, Session Laws of Hawaii 2013, exempted certain agricultural structures from building code and permit requirements. However, these changes inadvertently conflict with state floodplain management requirements that are consistent with the National Flood Insurance Program (NFIP), as administered by the Federal Emergency Management Agency (FEMA). FEMA notified the State in April 2016 that unless the State made certain necessary statutory amendments, new and renewed NFIP policies would be suspended, and NFIP flood insurance would be unavailable to Hawaii's residents.

Your Committee further finds that if NFIP flood policies were not available in Hawaii, all properties located in areas designated by FEMA as high risk for flooding would be required to find another mechanism to satisfy the mandatory flood insurance purchase requirements of the Flood Disaster Protection Act of 1973. Private flood insurance would not be eligible for the current government subsidies provided by the NFIP, and such private flood insurance is anticipated to cost substantially more than current NFIP rates. Furthermore, if Hawaii ceases participation in the NFIP, certain forms of federal disaster assistance may not be available to the government, businesses, and individuals in Hawaii to aid in recovery. Accordingly, this measure makes certain necessary amendments to ensure Hawaii's continued eligibility in the NFIP.

Your Committee notes that the language in this measure has been reviewed and found acceptable by FEMA for the purpose of bringing section 46-88, Hawaii Revised Statutes, into compliance with the minimum standards of the NFIP.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1418, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1562 Commerce, Consumer Protection, and Health on H.B. No. 1258

The purpose and intent of this measure is to:

- (1) Establish registration requirements and driver's licensing requirements for operation of autocycles; and
- (2) Define "autocycle".

Your Committee received testimony in support of this measure from the Department of Transportation; City and County of Honolulu, Department of Customer Services; and Polaris Industries, Inc.

Your Committee finds that a significant number of states have developed definitions for the treatment of autocycles, a newer type of vehicle composed of three wheels and non-traditional seating that is manufactured to federal motorcycle safety standards. However, existing Hawaii law does not allow for the registration of these unique vehicles. Accordingly, this measure establishes registration requirements and driver's licensing requirements for operation of autocycles and establishes a definition for autocycle.

Your Committee has heard testimony that the American Association of Motor Vehicle Administrators Working Group (AAMVA), a private nonprofit corporation made up of motor vehicle and law enforcement administrators and executives, has developed best practices on registering and licensing autocycles. Amendments to this measure are therefore necessary to incorporate certain consumer protection recommendations based on AAMVA best practices. Your Committee has also heard testimony that most autocycles do not meet the federal Motor Vehicle Safety Standards for passenger motor vehicles. Amendments to this measure are also necessary to incorporate additional consumer protection requirements for the registration and operation of autocycles in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that a valid type 3, rather than type 2 or 3, driver's license is required for operation of an autocycle;
- (2) Requiring occupants in an autocycle not equipped with a front windshield to use eye protection;
- (3) Requiring occupants in an autocycle to comply with mandatory seat belt requirements;
- (4) Requiring all dealers, sellers, lessors, and rental agencies to disclose certain information, as applicable, relating to autocycles and the federal Motor Vehicle Safety Standards for passenger motor vehicles;
- (5) Amending the definition of "autocycle";
- (6) Enabling each county's Director of Finance to issue number plates to a registered owner of an autocycle;
- (7) Amending the definition of "motorcycle"; 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1258, 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. 1258, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1563 (Joint) Ways and Means and Economic Development, Tourism, and Technology on H.B. No. 943

The purpose and intent of this measure is to promote job growth in Kapolei.

More specifically, the measure establishes a five-year Kapolei jobs initiative pilot program and a Kapolei jobs initiative tax credit to provide incentives for businesses to establish themselves or open a new location in the Kapolei region.

Your Committees received written comments in support of this measure from the Councilmember for the First District, City and County of Honolulu; Avalon Development Company; Hawaii Construction Alliance; Haseko; Hunt Companies; Chamber of Commerce Hawaii; Kapolei Chamber of Commerce; Pacific Resource Partnership; James Campbell Company, LLC; Land Use Research Foundation of Hawaii; and three individuals.

Your Committees received written comments on this measure from the Department of Taxation; the Department of Business, Economic Development, and Tourism; Tax Foundation of Hawaii; and one individual.

Your Committees find that job growth is a matter of statewide concern. Your Committees also find that in the Kapolei region, households continue to outgrow the number of employment opportunities in the region. Your Committees recognize that state law currently provides for a state enterprise zone program, which is designed to stimulate business and industrial growth. However, the program is currently restrictive, and participation has been relatively low, particularly in the Leeward enterprise zone. Your Committees believe that this measure may encourage greater economic growth, development, and job creation in the Kapolei region.

Your Committees have amended this measure by:

- (1) Amending the titles of two sections within the new statutory chapter to more accurately reflect the content of those sections;
- (2) Clarifying that the submission of a completed required form shall be prima facie evidence of the eligibility of a business for the Kapolei jobs initiative income tax credit; and

- (3) Amending the tax credit carryover provision to provide that excess credit from a taxable year may be used as a tax credit against the taxpayer's net income tax liability in the subsequent taxable year; provided that no excess credit may be used after December 31, 2022.

Your Committees respectfully request that a Committee on Conference that considers this measure address the following drafting issues in the measure that require further clarification:

- (1) Section -3(b) of the new Hawaii Revised Statutes chapter lacks clarity regarding whether the Department of Taxation or the Department of Business, Economic Development, and Tourism shall be responsible to "approve" the Kapolei jobs initiative income tax credit form;
- (2) In subsection (b)(1) of the new section of chapter 235, Hawaii Revised Statutes, the ambiguous use of the word "less", in the phrase "___ per cent less", lacks clarity as to what "less" refers, and thus may lead to confusion regarding how the Kapolei jobs initiative income tax credit is to be calculated for succeeding years;
- (3) Subsection (f) of the new section of chapter 235, Hawaii Revised Statutes, requires a qualified business to prequalify for the Kapolei jobs initiative income tax credit by registering "during the stage of business development" in the designated geographic area. The phrase "stage of business development" may be subject to differing interpretations; and
- (4) Subsection (g) of the new section of chapter 235, Hawaii Revised Statutes, provides that the Department of Business, Economic Development, and Tourism may request additional information necessary to measure the effectiveness of the Kapolei jobs initiative income tax credit. However, the provision does not require a qualified business claiming the tax credit to provide any additional information so requested.

Your Committees also note that the Department of Business, Economic Development, and Tourism stated that it would need \$150,000 annually to implement this measure, which would require a new program, including new reporting and tracking systems and a new and permanent Economic Development Specialist V position.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 943, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 943, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ways and Means: Ayes, 8; Ayes with Reservations (Taniguchi). Noes, none. Excused, 3 (Galuteria, Inouye, Riviere).

Economic Development, Tourism, and Technology: Ayes, 5; Ayes with Reservations (Taniguchi, Thielen). Noes, none. Excused, none.

SCRep. 1564 Ways and Means on H.B. No. 478

The purpose and intent of this measure is to appropriate funds for agricultural management positions and equipment to support prison farming programs.

More specifically, this measure appropriates funds for:

- (1) A full-time agricultural management position and equipment for Kulani Correctional Facility agriculture operations; and
- (2) A full-time agricultural management position and equipment for Waiawa Correctional Facility agriculture operations.

Your Committee received written comments in support of this measure from the Department of Public Safety; Office of the Mayor, County of Hawaii; Community Alliance on Prisons; The CHOW Project; and two individuals.

Your Committee finds that agricultural programs at correctional facilities provide numerous benefits for the correctional system and inmates. Rising prison populations and shrinking correctional budgets have made reducing costs an important focus for correctional facilities. Your Committee finds that prison farm programs can increase food self-sufficiency and reduce correctional costs by allowing facilities to produce food in-house. In addition, prison farm programs promote inmate rehabilitation and provide inmates with the opportunity to learn a variety of technical skills and trades, such as caring for and identifying plants, managing and controlling pests, applying planting and harvesting techniques, performing watering and weeding, and operating and repairing farm machinery.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 478, 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, none.

SCRep. 1565 Ways and Means on H.B. No. 521

The purpose and intent of this measure is to promote diversification of the State's economy.

More specifically, this measure:

- (1) Establishes the high-growth grant program to provide grants to qualified businesses for specific business development purposes; and
- (2) Establishes the high-growth grant program special fund to receive legislative appropriations and make grants under the program.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Maui Chamber of Commerce; Chamber of Commerce Hawaii; and Maui Gold Pineapple Company.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that diversifying the State's economy beyond service-related industries is critical to Hawaii's future. The high-growth grant program will provide grants to businesses that export products to expand their operations, improve productivity, and invest in food safety or quality control programs. Your Committee believes that the diversification of the State's economy will assist businesses and the State in becoming competitive globally.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 521, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1566 (Joint) Ways and Means and Judiciary and Labor on H.B. No. 930

The purpose and intent of this measure is to improve child sexual abuse prevention education in the State.

Specifically, the measure:

- (1) Creates an Erin's Law task force to review policies, programs, and curricula for educating public school students about sexual abuse and sex trafficking prevention, and report recommendations for the establishment of a program to educate public school students on sexual abuse prevention through age appropriate curricula; and
- (2) Appropriates funds to support the task force.

Your Committees received written comments in support of this measure from the Hawaii State Commission on the Status of Women, Planned Parenthood Votes Northwest and Hawaii, Hawaii Youth Services Network, Sex Abuse Treatment Center, Hawaii State Teachers Association, IMUAlliance, Hawaii Alliance of Boys and Girls Clubs, Parents and Children Together, and four individuals.

The Department of Education submitted written comments on the measure.

Your Committees find that sexual abuse is a serious and ongoing threat to children and young people in the State, and that a consistent, systemwide approach to preventive education and training is needed. Thus, your Committees find that a task force is needed to oversee the establishment of a program that educates public school students, teachers, and parents on sexual abuse prevention and related topics.

Your Committees note that the Department of Education estimates that an appropriation of \$75,000 in each of fiscal years 2017-2018 and 2018-2019 will be necessary to support the operations of the task force. In addition, your Committees request that the following concerns be addressed if the measure is considered during Conference:

- (1) Whether the August 11, 2017, deadline for convening the task force should be changed, given the role of the Superintendent of Education, or the Superintendent's designee, as the task force's chairperson and the Department of Education's upcoming leadership changes;
- (2) Whether the task force should be convened by the Department of Education rather than the Legislature, given that the primary responsibility for conducting the activities of the task force will rest with the Superintendent and the Department and that the measure's appropriation is to be expended by the Department; and
- (3) Whether the task force's nonprofit after school provider member should be designated by the Superintendent, as proposed by the Department of Education, instead of by the Hawaii Youth Services Network.

Your Committees have amended this measure by:

- (1) Expanding the reference to "Title IX" as "Public Law 92-318, Title IX of the federal Education Amendments of 1972, as amended"; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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 H.B. No. 930, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 930, S.D. 2.

Signed by the Chairs on behalf of the Committees.
Ways and Means: Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Shimabukuro).
Judiciary and Labor: Ayes, 5. Noes, none. Excused, none.

SCRep. 1567 Ways and Means on H.B. No. 1231

The purpose and intent of this measure is to authorize the Department of Education to retain and reallocate funds to offset incurred disaster relief expenses.

Specifically, this measure:

- (1) Authorizes the Department of Education to retain reimbursements for disaster relief expenses until the end of the following fiscal biennium; and
- (2) Credits federal disaster relief reimbursement funds to the Department of Education when the Department expends Department funds for purposes deemed reimbursable by federal moneys, regardless of whether the original appropriation for the Department funds has lapsed.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that in the past the Department of Education has had to expend Department funds, appropriated for other purposes, to provide disaster relief. When this occurs, the Department attempts to obtain the maximum reimbursement of federal funds allowed. However, presently, federal reimbursement funds cannot be reallocated to an appropriation that has lapsed. This measure will authorize the Department to use federal reimbursement funds to replace the original Department funds and to expend those funds for the originally appropriated purpose.

Your Committee has amended this measure by making a technical amendment for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1231, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1231, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1568 Ways and Means on H.B. No. 1327

The purpose and intent of this measure is to appropriate funds to the High Technology Development Corporation to support the manufacturing development program.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Food Industry Association; Hawaii Venture Capital Association; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Makai Ocean Engineering, Inc.; Oceanit Laboratories, Inc.; Maui Brewing Co.; KYD, Inc.; Aloha Shoyu Company, Ltd.; Kona Brewing Co.; BGS Engineering; Kauai Island Brewing Company; Hawaii Biotech, Inc.; Hawaii Coffee Company; The Tea Chest; Meadow Gold Dairies; Kuehnle AgroSystems, Inc.; Hyperspective Studios, Inc.; First Commercial Kitchen, Inc.; Island Plastic Bags, Inc.; XLR8UH; Sultan Ventures; Hawaiian Crown Plantation & Chocolate Factory; and three individuals.

Your Committee finds that the High Technology Development Corporation is a key state agency that helps to develop and support the State's manufacturing industry. Your Committee further finds that the continuation of the manufacturing development program administered by the High Technology Development Corporation stimulates economic growth, increases development, and creates jobs related to products manufactured in Hawaii.

Your Committee respectfully requests that, if this measure is considered during Conference, consideration should be given to allow the High Technology Development Corporation to use up to ten percent of the appropriation for administrative purposes.

Your Committee has amended this measure by changing the effective date to July 1, 2060, 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. 1327, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1327, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1569 Ways and Means on H.B. No. 1329

The purpose and intent of this measure is to support the development of prototypes from proofs of concept that are created during various application challenges.

Specifically, this measure:

- (1) Requires the High Technology Development Corporation to issue grants to help convert proofs of concept created during the 2017 and 2018 Hawaii Annual Code Challenges, AT&T Hackathons, Reboot the Commute, or other application challenges into prototypes;
- (2) Requires the High Technology Development Corporation to obtain donations of not less than fifty percent of the moneys expended on a project-by-project basis; and
- (3) Appropriates funds for the grants and to support related activities.

Your Committee received written comments in support of this measure from the Office of Enterprise Technology Services, High Technology Development Corporation, Civil Beat Law Center for the Public Interest, Hawaii Open Data, Transform Hawaii Government, and fourteen individuals.

Your Committee finds that one of the goals of hackathons is to begin a process that ultimately leads to the creation of innovative solutions to problems. However, in part due to their short durations, hackathons usually only produce proofs of concept for applications. Your Committee further finds that an appropriation will help to progress those proofs of concept into prototypes and commercial products and provide a means for participants to create startup businesses for their applications.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1329, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1570 Ways and Means on H.B. No. 1559

The purpose and intent of this measure is to ensure the continued viability of the State's sea salt manufacturing industry.

Specifically, the measure appropriates funds for the Department of Business, Economic Development, and Tourism to provide guidance and support regarding the Food and Drug Administration's industry guidelines on the use of color additives, as applied to sea salt products cultivated or produced in Hawaii.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; and the Chamber of Commerce Hawaii.

Your Committee finds that Hawaii-made sea salt products are a well-known product both here in Hawaii and around the world. Your Committee also finds that recent guidelines from the Food and Drug Administration regarding red and black Hawaiian sea salts have caused large financial stress on the industry due to the cost of testing that is required to meet the guidelines. Your Committee further finds that the Department of Business, Economic Development, and Tourism's assistance will relieve local small businesses from bearing the burden of these costs and allow them to continue to focus on growing their businesses.

Your Committee notes that the Department of Business, Economic Development, and Tourism has indicated it would require an appropriation of \$150,000 to undertake the duties specified in this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1559, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1571 Ways and Means on H.B. No. 1578

The purpose and intent of this measure is to establish and appropriate funds for a Carbon Farming Task Force to identify agricultural and aquacultural practices that yield carbon sequestration benefits.

Your Committee received written comments in support of this measure from the Department of Agriculture; Department of Land and Natural Resources; Office of Planning; Ulupono Initiative; Hawaii Island School Garden Network – The Kohala Center; Surfrider Foundation Oahu Chapter; Hawaii Alliance for Progressive Action; Hawaii Center for Food Safety; Styrophobia; Surfrider Foundation; Sierra Club of Hawaii; and thirteen individuals.

Your Committee finds that climate change presents an immediate threat to Hawaii's economy and natural resources. Implementing agricultural practices that promote carbon sequestration can produce multiple environmental and economic benefits, including a reduction in greenhouse gases, an enhanced sustainability of Hawaii's agricultural lands, decreased sedimentation of the marine environment, and the creation of new opportunities for local farmers. Many businesses and farmers would like to implement practices that result in carbon sequestration benefits, but information regarding these practices is not readily available. Your Committee believes that establishing the Carbon Farming Task Force is necessary to identify and promote climate-smart agricultural practices.

Your Committee has amended this measure by:

- (1) Changing one of the Carbon Farming Task Force's objectives from "Identify[ing] ways that ecosystems and agroforestry systems can be used to mitigate carbon content in Hawaii" to "Identify[ing] agroforestry practices that can be used to enhance carbon sequestration in Hawaii";
- (2) Changing the appropriation from \$100,000 to an unspecified amount to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

Your Committee notes that this measure provides for the mayor of each county to appoint one member to the Carbon Farming Task Force. However, there does not appear to be any restrictions on or qualifications for the persons appointed, such as residency in the same county as the mayor making the appointment or having knowledge about agriculture or carbon sequestration. Your Committee requests that these issues be addressed in Conference 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. 1578, 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. 1578, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1572 Ways and Means on H.B. No. 453

The purpose and intent of this measure is to establish and fund a grant program to assist farmers and ranchers in paying for costs of complying with various food safety laws and regulations.

Your Committee received written comments in support of this measure from the Department of Agriculture, Maui Chamber of Commerce, Ulupono Initiative, Hawaii Farm Bureau, Hawaii Crop Improvement Association, Land Use Research Foundation of Hawaii, and one individual.

Your Committee finds that local farmers and ranchers are crucial to the State's economy and the pursuit of food security. These farmers and ranchers must comply with a variety of food safety laws and regulations in order to sell their products. Your Committee further finds that the costs associated with food safety law and regulation compliance can be significant and can make it difficult for a

small farmer or rancher to stay in business. Your Committee believes that assisting farmers and ranchers in complying with food safety laws and regulations assists the State's economy and the pursuit of food security.

Should a Committee on Conference decide to convene on this measure, your Committee respectfully requests that it consider providing an appropriation of \$1,000,000 to adequately fund the grant program established by this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 453, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Galuteria, Harimoto, Kahele, Taniguchi).

SCRep. 1573 Ways and Means on H.B. No. 428

The purpose and intent of this measure is to improve physician recruitment and retention in rural and medically underserved areas of the State.

More specifically, the measure would permit the John A. Burns School of Medicine to continue receiving a portion of the physician workforce assessment fee to support physician workforce assessment and planning for the recruitment and retention of physicians.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, East Hawaii Region of Hawaii Health Systems Corporation, University of Hawaii, County of Hawaii, Hawaii Academy of Family Physicians, Lanai Community Health Center, Big Island Toyota, Hawaii Pacific Health, Hawaii Medical Association, Native Hawaiian Affairs and Clinical Support – The Queen's Health Systems, The Queen's Health Systems, Hilo Medical Center Foundation, International Longshore and Warehouse Union Local 142, Hawaii Area Health Education Center, Kaiser Permanente, and eleven individuals.

Your Committee received written comments on this measure from the Hawaii Medical Board and one individual.

Your Committee finds that there is a critical need to recruit and retain physicians to serve rural and medically underserved areas of the State. The State has the fifth oldest physician workforce of all the states, and more than half of the State's physicians will be over the age of sixty-five within ten years. Your Committee believes that supporting the recruitment and retention of healthcare professionals, especially in rural, remote, and underserved areas, promotes access to quality healthcare.

Your Committee notes that the Hawaii Medical Board has requested that the allocation of a portion of the physician workforce assessment fee to the John A. Burns School of Medicine be extended, rather than be made permanent.

Your Committee has amended this measure by changing the effective date to June 29, 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. 428, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 428, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1574 Ways and Means on H.B. No. 571

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to improve public education on emergency management and disaster preparedness in Hawaii.

More specifically, this measure appropriates funds for the University of Hawaii Sea Grant College Program to:

- (1) Develop a communication strategy and outreach plan for emergency management and disaster preparedness;
- (2) Update and publish the fourth edition of the *Homeowner's Handbook to Prepare for Natural Hazards*; and
- (3) Conduct a systematic and targeted education and outreach initiative throughout the State for emergency management and disaster preparedness.

Your Committee received written comments in support of this measure from the Hawaii Emergency Management Agency; University of Hawaii; Department of Emergency Management, City and County of Honolulu; Hauula Community Association; and one individual.

Your Committee finds that Hawaii residents require education on emergency and disaster preparedness, as evidenced by public behavior during threatening events. Your Committee further finds that 2014, 2015, and 2016 saw record numbers of hurricane warnings and near misses, and that it is in the public interest to take stronger action to better prepare for potential natural disasters.

Your Committee has amended this measure by changing the effective date to July 1, 2060, 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. 571, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 571, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, none.

SCRep. 1575 Ways and Means on H.B. No. 598

The purpose and intent of this measure is to authorize the University of Hawaii to participate in and contribute funding for activities related to the development of a Hawaii cyber ecosystem and other related aspects of cybersecurity.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; Department of Education; University of Hawaii; Referentia Systems, Inc.; Chamber of Commerce Hawaii; and one individual.

Your Committee finds that developing and actively practicing cybersecurity measures is a matter of statewide concern. An immeasurable and constantly increasing amount of daily economic and personal activities involve an online component. Without proper security, these activities can leave people and infrastructure vulnerable to a cyberattack. Your Committee believes that the State should remain proactive and vigilant in its efforts to strengthen and provide education regarding cybersecurity 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 H.B. No. 598, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 598, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1576 Ways and Means on H.B. No. 620

The purpose and intent of this measure is to support efforts by the Kahoolawe Island Reserve Commission to restore, preserve, and determine the appropriate uses of the Kahoolawe Island Reserve.

Specifically, the measure appropriates funds to the Department of Land and Natural Resources for:

- (1) Nineteen full-time permanent positions for the Commission; and
- (2) The Kahoolawe Island Reserve Commission's general operations and promotion of water sustainability and photovoltaic powered desalinization on the Island Reserve.

Your Committee received written comments in support of this measure from the Kahoolawe Island Reserve Commission, Office of the Mayor of the County of Maui, Protect Kahoolawe Ohana, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, Kalihi Palama Hawaiian Civil Club, Conservation Council for Hawaii, and twenty-nine individuals.

Written comments in opposition were received from the Center for Hawaiian Sovereignty Studies.

Your Committee finds that additional funding will permit the Kahoolawe Island Reserve Commission to continue mitigating ecological damage on Kahoolawe, protecting its endangered and rare flora and fauna, and ensuring that visitors can access the Island Reserve meaningfully and safely.

Your Committee has amended this measure by:

- (1) Changing the number of full-time permanent positions for the Kahoolawe Island Reserve Commission to an unspecified number; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee notes that it has added in H.B. No. 100, H.D. 1, S.D. 1, the General Appropriations Act of 2017, 15.00 permanent positions and general fund appropriations of \$1,065,147 in fiscal year 2017-2018 and \$1,097,047 in fiscal year 2018-2019 for the Kahoolawe Island Reserve Commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 620, 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. 620, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (English, Kahele, Taniguchi).

SCRep. 1577 Ways and Means on H.B. No. 1351

The purpose and intent of this measure is to support the efforts of the counties in collecting electronics for recycling.

Specifically, this measure:

- (1) Authorizes the Director of Health to expend moneys from the electronic device recycling fund to support county electronics collections; and
- (2) Appropriates funds to reimburse the counties of Hawaii, Kauai, and Maui for expenses incurred during 2015 and 2016 related to collection services associated with handling and collecting electronic devices for recycling.

Your Committee received written comments in support of this measure from the Mayor of the County of Maui, Mayor of the County of Hawaii, Department of Environmental Management of the County of Hawaii, Consumer Technology Association, and one concerned individual.

Your Committee received written comments on this measure from the Department of Health.

Your Committee finds that recycling electronic devices helps to prevent toxins from leaching into the environment and harming the environment and human health while also conserving space in landfills and allowing valuable resources contained in electronic devices, such as copper, gold, and aluminum, to be reclaimed for future use. Your Committee also finds that the counties engage in electronic device collection but do not receive moneys from the electronic device recycling fund. This measure allows the Department of Health to provide funding to the counties to ensure the continuation of the electronic device recycling program.

Your Committee has amended this measure by:

- (1) Adding an appropriation of general funds for deposit into the electronic device recycling fund;
- (2) Providing that funds appropriated from the electronic device recycling fund, rather than general funds, be used to reimburse the counties of Hawaii, Kauai, and Maui for collection services associated with handling and collecting electronic devices for recycling;
- (3) Specifically authorizing the Director of Health to make the reimbursements to the counties; and
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

The amendments described in paragraphs (1) and (2) are intended to make the provisions of this measure comport with its title.

Your Committee respectfully requests the Department of Health to provide guidance to the Conference Committee on this measure with regard to the appropriation amount that would be sufficient for the purposes of this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1351, 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. 1351, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1578 Ways and Means on H.B. No. 850

The purpose and intent of this measure is to repeal requirements that the University of Hawaii prepare and submit annual reports to the Legislature on various University programs.

Your Committee received written comments in support of this measure from the University of Hawaii.

Your Committee finds that the University is currently required to prepare and submit annual reports to the Legislature on the:

- (1) Status of the Hawaii Health Corps Program;
- (2) Status of the Construction Academy;
- (3) Operation of the Nursing Scholars Program; and
- (4) Progress of the Hawaii P-20 Initiative Council.

Your Committee further finds that these required reports no longer provide relevant information or are impractical to prepare because of a lack of resources available to the University. Accordingly, your Committee believes that the reporting requirements should be repealed.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 850, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1579 Ways and Means on H.B. No. 1594

The purpose and intent of this measure is to provide financial aid to University of Hawaii students who meet certain qualifications.

More specifically, the measure:

- (1) Establishes the Hawaii Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any University of Hawaii campus, including any community college campus;
- (2) Establishes the Hawaii Promise Program Special Fund, to be administered by the University of Hawaii, to provide financial assistance to qualified students through the Hawaii Promise Program; and
- (3) Makes an unspecified appropriation to establish and implement the Hawaii Promise Program.

Your Committee received written comments in support of this measure from the University of Hawaii, Kamehameha Schools, and three individuals.

Your Committee finds that an educated labor force and engaged citizenry are essential in today's global, knowledge-based economy. The University of Hawaii graduation initiative has a goal of increasing the educational capital of the State by increasing the enrollment and graduation rates of students who are Native Hawaiians, have low incomes, or represent other underserved regions or populations. Further, Hawaii's "55 by '25" goal aspires to increase the percentage of working-age adults with two- or four-year degrees to fifty-five percent by 2025. Your Committee believes that this measure will enable more students to attend a University of Hawaii campus, thus helping the State to meet its 55 by '25 goal.

Your Committee has included in the Senate draft of the executive budget (H.B. No. 100, H.D. 1, S.D. 1) an appropriation of \$1,800,000 for the Hawaii Promise Program.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1594, 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, none.

SCRep. 1580 Judiciary and Labor on H.B. No. 1534

The purpose and intent of this measure is to allow a waiver of the one-year state residency requirement for certain appointed officers when the officer is employed as the head of a county police department.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawai'i Civil Rights Commission, and Honolulu Police Commission. Your Committee received testimony in opposition to this measure from the State of Hawaii Organization of Police Officers and one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that employing the most qualified person willing to serve as head of a county police department is important to the safety and welfare of Hawaii's communities. By allowing a waiver of the one-year state residency requirement for employment as the head of a county police department, this measure will significantly and meaningfully increase the pool of highly qualified individuals willing to provide service in that capacity.

Based on written testimony received from the Department of the Attorney General, your Committee also finds that for persons appointed to serve in government other than as department heads, or deputies or assistants to a department head, it is in the public interest for an appointing authority to be able to consider not only citizens, nationals, and permanent resident aliens of the United States, but also other residents of the State who are eligible under federal law for unrestricted employment.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language suggested by the Department of the Attorney General to clarify that appointed officers in the service of state or county government, other than the head or deputy or assistant to the head of a state or county department, shall be residents of the State at the time of their appointment and also be:
 - (A) Citizens, nationals, or permanent resident aliens of the United States; or
 - (B) Eligible under federal law for unrestricted employment in the United States; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1534, 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. 1534, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1581 Commerce, Consumer Protection, and Health on H.B. No. 1009

The purpose and intent of this measure is to exempt residence or occupancy in a structure or on a property directly controlled, owned, and managed by the Hawaii Public Housing Authority (Authority) from the requirements of the residential landlord-tenant code.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. 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 eighty-six percent of Authority properties are exempt from the landlord-tenant code, as the exemption applies to public housing projects or complexes controlled, owned, or managed by the Authority pursuant to the federal Low Rent Public Housing Program. However, state low-income public housing properties directly controlled, owned, and managed by the Authority are not covered by any exemption. According to testimony received by your Committee, the Authority's requirement to adhere to certain provisions in the landlord-tenant code, relating to removal of a tenant's personal property after a tenant wrongfully quit the property or was given notice to quit, has caused a delay of much-needed units to renters on the waiting list for public housing.

Accordingly, this measure provides an exemption from the landlord-tenant code for the remaining fourteen percent of Authority properties. Your Committee notes that, pursuant to federal rules, the Authority complies with strict requirements when handling tenant issues and evictions, including adherence to board hearings and peer review prior to decision making. This measure therefore allows for greater equality between those in federal and state public housing, while also protecting tenants' rights and ensuring that all tenants in Authority-controlled housing receive the same due process, regardless of the property in which they reside.

Your Committee has amended this measure by:

- (1) Changing its effective date to upon approval, but delaying the effective date for its implementation to July 1, 2018, to allow the Authority time to work with public housing tenants and resident associations in the adoption of administrative rules; and
- (2) Making 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, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1009, H.D. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1009, H.D. 3, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 7. Noes, none. Excused, none.

SCRep. 1582 (Joint) Commerce, Consumer Protection, and Health and Ways and Means on H.B. No. 625

The purpose and intent of this measure is to:

- (1) Establish a collocation permitting, application, review and approval process for telecommunications companies proposing to install broadband infrastructure on state- or county-owned structures, utility poles, light standards, or buildings; and
- (2) Establish the siting process for the installation of broadband infrastructure on state-owned or county-owned structures, utility poles, light standards, or buildings.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning; Chamber of Commerce Hawaii; Kaua'i Chamber of Commerce; Maui Chamber of Commerce; Hawai'i Lodging & Tourism Association; CTIA; AT&T; Mobilitie, LLC; T-Mobile USA, Inc.; and Verizon. Your Committees received testimony in opposition to this measure from the Department of Education; City and County of Honolulu, Office of the Mayor; County of Hawai'i, Office of the Mayor; Hawaii Council of Mayors; Charter Communications, Inc.; and Airport Concessions Committee. Your Committees received comments on this measure from the Cable Television Division of the Department of Commerce and Consumer Affairs; Hawaiian Electric Company, Inc.; Hawaiian Telecom; and Boingo Wireless, Inc.

Your Committees find that broadband technology is now a critical part of infrastructure and the efficient deployment of broadband infrastructure and technology is vital to ensure the State remains competitive in a global economy. Advanced broadband infrastructure systems offer enhanced educational opportunities, telehealth capacity, safety and civil defense communications, economic competitiveness, consumer privileges, and tourism services. However, to provide all consumers with the benefits of advanced broadband technology, it is important to create a fair and predictable process for the deployment of small wireless facilities and small wireless facilities networks. Accordingly, this measure creates a process for the review and issuance of collocation permit applications for telecommunications companies seeking to install broadband infrastructure on certain state- or county-owned property for the siting of small wireless facilities and wireless facilities networks.

Your Committees further find that the Department of Commerce and Consumer Affairs indicated in testimony before your Committees that the Department has been working with stakeholders, including the Broadband Assistance Advisory Council, to identify, establish, and adopt mechanisms that can support and enhance operation of existing law and rules, as well as the coordination of government and private transportation, utilities, and telecommunications projects, such as the online utilities project notification system being developed by the City and County of Honolulu and an online statewide utility pole notification system that is currently under discussion by the joint pole owners in the State. These systems can improve communication, accountability, and documentation related to use of rights of way and utility pole attachments and increase efficiency and facilitate enforcement of timelines required by existing federal and state laws and pole attachment agreements.

With these considerations in mind, your Committees find that delaying the implementation of this measure by two years is appropriate. This will enable interested stakeholders to continue discussions on the collocation permit application, review, and application process established by this measure and ensure that this measure is consistent with federal law and provides for expedited, non-discriminatory deployment for all telecommunications providers. A delayed implementation date also provides an opportunity for this measure to be amended, if appropriate, during the Regular Session of 2018.

Your Committees have amended this measure by:

- (1) Clarifying that the broadband infrastructure permit process established includes wireless and wireline facilities and wireless and wireline facilities networks and making associated conforming amendments;
- (2) Clarifying that the permitting process is only for those wireless and wireline facilities and facilities networks that will be placed on utility poles and light standards, and removing all associated references to buildings and structures;
- (3) Clarifying that the permitting process applies to solely state-owned or county-owned utility poles and light standards, which excludes any utility poles or light standards that are owned jointly with another joint pole entity;
- (4) Clarifying that the permit application shall include a description of the equipment associated with the facilities in a project area, including the size, weight, and mounting height of the equipment to be installed;
- (5) Clarifying that the required permit application shall also include a description of compliance with a structural loading analysis contemplated in the National Electrical Safety Code;
- (6) Specifying that a written request that contains certain information regarding a potential collocation project shall be deemed an application;
- (7) Clarifying that once a provider has obtained necessary approvals, substantial construction must be commenced within twelve months, rather than twenty-four months, or attachment approvals may be rescinded;
- (8) Clarifying that a provider may submit a collocation request for a structure that is neither a solely state-owned nor solely county-owned utility pole or light standard to a state or county agency with jurisdiction over that structure, but specifying that acceptance, consideration, and granting of such a request shall be solely at the discretion of the state or county agency;
- (9) Exempting state-owned property within the jurisdiction of the Departments of Education, Transportation, and Public Safety, and emergency management siren towers or related telecommunications towers used for emergency first responders from the

prohibition on denial of access to providers to collocate on state-owned property, thereby allowing the State to deny access to providers to collocate on those properties;

- (10) Clarifying that collocation requests shall obtain a special or conditional use permit prior to collocation of small wireless or wireline facilities or small wireless or wireline facilities networks on land within the conservation district;
- (11) Clarifying that the State and counties can accept a consolidated or batched application for a small wireless or wireline facilities network of no more than ten individual facilities;
- (12) Specifying that if the State or county charges a fee for collocation on solely state-owned or solely county-owned utility poles or light standards, the fee shall be \$100 per solely state-owned or solely county-owned utility pole or light standard and removing language that tied permissible fees to the formula adopted by the Federal Communications Commission for pole attachments;
- (13) Clarifying that the reservation period for providers, the State, and the county shall be twenty-four months;
- (14) Specifying that permits may be revoked or rejected, in the State's or county's discretion, to protect contractual rights that have been or will be granted by the State or counties;
- (15) Clarifying that a wireless or wireline provider shall not be required to obtain a permit to maintain, repair, or replace small wireless or wireline facilities with facilities that are substantially the same as, or smaller or lighter than, the existing facilities or install, place, maintain, operate, or replace certain micro wireless or wireline facilities;
- (16) Clarifying that nothing shall be construed to provide access rights to poles or structures owned by a state-regulated public utility or relieve providers from existing requirements attached to state-regulated public utility-owned utility poles, rather than an investor-owned electric utility or telephone utility or private investor-owned utility poles;
- (17) Deleting the definition of "public property";
- (18) Retaining the effective date of May 22, 2050, but specifying that this measure shall apply to permit applications filed with the State or county after January 1, 2019;
- (19) Updating the purpose section; and
- (20) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Health and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 625, H.D. 3, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 625, H.D. 3, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce, Consumer Protection, and Health: Ayes, 6. Noes, none. Excused, 1 (Kidani).

Ways and Means: Ayes, 10. Noes, none. Excused, 1 (Wakai).

SCRep. 1583 Ways and Means on H.B. No. 1115

The purpose and intent of this measure is to increase the efficiency and lower the costs of the Hawaii Labor Relations Board.

Specifically, this measure:

- (1) Authorizes the Hawaii Labor Relations Board to use a company to issue hearing notices by electronic service, as an alternative to mailing hearing notices by first class mail; and
- (2) Requires a party seeking review of a decision and order of the Hawaii Labor Relations Board to pay the costs of preparing the necessary transcripts, unless otherwise prohibited by law.

Your Committee received written comments in support of this measure from the Hawaii Labor Relations Board.

Your Committee finds that the Hawaii Labor Relations Board currently offers a free, voluntary electronic filing service, which is used by the majority of parties as it saves on time and expense. This measure codifies the current practice of providing electronic notice and will reduce the Hawaii Labor Relations Board's expenses and support the State's paperless goal.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1115, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1584 Ways and Means on H.B. No. 4

The purpose and intent of this measure is to require certain employers to provide a minimum amount of paid sick leave to employees.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association; Hawaii State AFL-CIO; Democratic Party of Hawaii; International Organization of Masters, Mates, and Pilots; Seafarers International Union; ILWU Local 142; LGBT Caucus of the Democratic Party of Hawaii; Motion Picture Association of America; and five individuals.

Your Committee received written comments in opposition to this measure from the Department of Human Resources Development; Hawaii State Commission on the Status of Women; Condominium Rentals Hawaii; Maui Chamber of Commerce; General Contractors

Association of Hawaii; Hawaii Restaurant Association; Kimo's Restaurant; Keoki's Paradise; Ralph S. Inouye Co., Ltd.; Duke's Beach House Maui; Hula Grill Waikiki; Kilauea Lodge and Restaurant; Duke's Canoe Club Kauai; Il Gelato Hawaii; PVT Land Company; Hula Grill Kaanapali; Gytaku Japanese Restaurants; Tiki's Grill and Bar; Hawaii Food Industry Association; Healy Tibbitts Builders, Inc.; Hawaii Credit Union League; Koa Pancake House; S and M Sakamoto, Inc.; Leilani's on the Beach; Hawaii Dredging Construction Company, Inc.; Highway Inn; Duke's Waikiki; Kahala Nui; Hawaii Children's Action Network; John Mullen and Company; Chamber of Commerce Hawaii; Society for Human Resource Management – Hawaii Chapter; National Federation of Independent Business; Hukilau Lanai Restaurant; Triple F Hawaii; Fair Wind Cruises; Island Princess; and eleven individuals.

Your Committee received written comments on this measure from the Department of Health; Department of Labor and Industrial Relations; Hawaii Pacific Health; The Queen's Health Systems; Healthy Mothers Healthy Babies Coalition of Hawaii; and Policy Advisory Board for Elder Affairs.

Your Committee finds that most workers in the State take some time off work to attend to their personal healthcare needs or the healthcare needs of a family member under their care. However, approximately thirty-six per cent of private industry workers in the United States do not have paid sick leave. In Hawaii, sixty-nine per cent of accommodation and food service workers lack paid sick leave.

Your Committee also finds that a person who is not provided paid sick leave by their employer is one and a half times more likely to work while sick, which can cause coworkers to become ill. A parent whose employer does not provide paid sick leave is twice as likely to send a sick child to school or daycare, which can cause other children to become ill.

Your Committee believes that requiring certain employers to provide paid sick leave will encourage employees to focus on their healthcare needs, and improve the overall health of workplaces, schools, and the community in general.

Nevertheless, your Committee recognizes that various concerns have been raised regarding this measure. The Department of Labor and Industrial Relations notes that:

- (1) The measure does not address how the proposed paid sick leave would affect employers that already have paid time off policies;
- (2) As defined in the measure, "employer" has the same meaning as defined in the Fair Labor Standards Act, title 29 United States Code section 203(d). This definition is very broad, including both private and public employers;
- (3) The relationship between the paid sick leave required by this measure and the benefits provided under various other laws should be clarified; and
- (4) The measure does not provide any mechanism for enforcing its provisions.

Additionally, the Department of Human Resources Development notes that it is unnecessary to include public employees within the scope of the measure because most public sector employees are already afforded generous vacation and sick leave benefits that can be used to care for themselves or a family member who is ill or needs medical care.

Moreover, your Committee notes that, to protect employee privacy, the measure prohibits an employer from requiring an employee to disclose the details of the employee's medical condition as a condition of using paid sick leave. The measure also permits an employee to use paid sick leave for the care of people other than the employee and for preventative care, but does not extend the medical condition privacy protection to the person to whom the employee is providing care. If the privacy protection provision is intended to also apply to the medical conditions of people under the employee's care, or when an employee uses paid sick leave for reasons other than the employee's personal medical condition, your Committee believes that the nondisclosure language should be expanded to effectuate that intent.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 4, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Harimoto, Riviere). Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1585 Ways and Means on H.B. No. 501

The purpose and intent of this measure is to encourage public school faculty to pursue national certification.

Specifically, this measure:

- (1) Renames the Teacher National Board Certification Incentive Program as the National Certification Incentive Program;
- (2) Makes school psychologists certified under the National Association of School Psychologists eligible for the benefits under the National Certification Incentive Program, including a \$5,000 annual bonus for maintaining current national certification, up to \$1,500 for completion of all components of a certification program, reimbursement of certain portions of the certification application fee, and an additional \$5,000 annual bonus for employment at certain schools with a priority designation; and
- (3) Allows certified teachers and school psychologists to continue receiving annual bonuses for remaining at a school that transitions out of a designation that qualified the certified teachers and school psychologists for the annual bonuses.

Your Committee received written comments in support of this measure from the Hawaii Association of School Psychologists, Hawaii Government Employees Association, and two individuals.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that national certification practices require professionals to engage in continuous professional development to improve their skills and remain current with best practices. This helps to ensure that certified individuals meet a high standard of

education and training. Your Committee further finds that Hawaii has been experiencing a shortage of highly-qualified professionals over the last several years, in part due to Department of Education salaries being low in comparison to salaries in other states and in light of Hawaii's high cost of living. Your Committee believes that expanding the program to include school psychologists will help to offset some of the difficulties in recruiting and retaining highly-qualified school professionals.

Your Committee has amended this measure by:

- (1) Adding the substantive content of Senate Bill No. 1188, Senate Draft 1, to this measure, to establish and appropriate funds for the Hawaii Teacher Stipend Program, which would provide scholarships for University of Hawaii students who are enrolled in certain teacher education programs and commit to teach at Hawaii public schools for three to five years; and
- (2) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

Your Committee notes that the cost of implementing this measure's substantive amendments to the Teacher National Board Certification Incentive Program has been estimated to be between \$440,000 and \$880,000, and the cost of the Hawaii Teacher Stipend Program has been estimated to cost \$400,000.

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. 501, 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. 501, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Galuteria, Taniguchi).

SCRep. 1586 Ways and Means on H.B. No. 1129

The purpose and intent of this measure is to require the Department of Public Safety to adopt policies and procedures to govern the performance of special duty by deputy sheriffs and to establish a compensation schedule for law enforcement services provided by deputy sheriffs performing special duty.

Your Committee received written comments in support of this measure from the Department of Taxation, Department of Public Safety, Department of Labor and Industrial Relations, Office of Elections, Stadium Authority, University of Hawaii, Hawaii Government Employees Association, and two individuals.

Your Committee finds that the current informal process for assigning deputy sheriffs to perform special duty may lack appropriate standards of consistency, transparency, and fairness within the Department of Public Safety. This measure represents a positive step in the direction of formally establishing policies and procedures for special duty assignment of deputy sheriffs.

Your Committee has amended this measure by:

- (1) Deleting the new statutory section that would be codified in chapter 353C, Hawaii Revised Statutes, and replacing it with new provisions to be enacted in session laws;
- (2) Requiring the Department of Public Safety to submit a report to the Legislature by February 1, 2018, that, among other things, sets forth:
 - (A) The policies and procedures established pursuant to this measure, including the compensation charged for special duty and the process by which deputy sheriffs are selected for special duty;
 - (B) Amounts paid by state departments and agencies for deputy sheriffs performing special duty; and
 - (C) The compensation received by deputy sheriffs performing special duty;
- (3) Repealing the measure on June 30, 2018; 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. 1129, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1129, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Galuteria, Taniguchi).

SCRep. 1587 Ways and Means on H.B. No. 1479

The purpose and intent of this measure is to encourage economic development in East Hawaii.

More specifically, the measure:

- (1) Establishes the Hilo Community Economic District (the District) as a community development district under the Hawaii Community Development Authority (HCDA);
- (2) Establishes guidance policies and lease restrictions for the District;
- (3) Establishes the Hilo community economic revolving fund to collect and expend revenue, income, receipts, and appropriations for the District, except for a portion of revenue, income, and receipts to be transferred to the special land and development fund;
- (4) Requires the Governor to appoint seven voting members to HCDA to represent the District and establishes the HCDA members who may be considered in determining a quorum and majority for matters affecting the District;

- (5) Requires HCDA to engage in discussions with the County of Hawaii to determine the feasibility of the County assuming redevelopment powers and duties over the lands within the District as a redevelopment area or establishing a special improvement district that encompasses the lands within the District; and
- (6) Provides that the measure shall be repealed upon the earliest of June 30, 2037, inclusion of the lands within the District within a redevelopment area, or establishment of a special improvement district that encompasses the lands within the District.

Your Committee received written comments in support of this measure from the East Hawaii Region of Hawaii Health Systems Corporation, the University of Hawaii, the Mayor of the County of Hawaii, the Hilo Health Cooperative, Chamber of Commerce Hawaii, Hawaii Government Employees Association, ILWU Local 142, the Building Industry Association of Hawaii, Takamine Construction, Inc., Kanoelehua Industrial Area Association, HPM Building Supply, and six individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance, Department of Land and Natural Resources, HCDA, and Planning Department of the County of Hawaii.

Your Committee finds that the State is the majority landowner in East Hawaii, and thus has an enormous influence on the economic development and overall future of the East Hawaii community. Your Committee believes that East Hawaii has the potential to grow and that improved housing, infrastructure, parks and public facilities, as well as commercial, industrial, and hotel facilities will become necessary in East Hawaii. Your Committee also believes that establishing the District will help East Hawaii achieve its potential.

Your Committee notes that HCDA has taken the position that any expansion in the number of state development districts should include funding and other resources necessary for their implementation, and has estimated that initial costs for establishing this District would include \$520,000 per year for 4.5 FTE staff positions, \$430,000 per year for operations, and \$100,000 per year for a satellite office in Hilo, along with \$50,000 in start-up costs for that office.

Your Committee also notes that this measure could result in the decrease of approximately \$3,000,000 in annual revenues to the special land and development fund.

Your Committee further notes that the Department of Land and Natural Resources, Mayor of the County of Hawaii, and Planning Department of the County of Hawaii have expressed various concerns about this measure. Finally, it may also be necessary to clarify provisions pertaining to the logistics of administering a repeal date of this measure that may require notification to the Revisor of Statutes of the occurrence of an event that triggers a repeal. Thus, your Committee respectfully requests that a Committee on Conference that may deliberate on this measure consider the concerns that have been noted.

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. 1479, 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. 1479, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (English, Galuteria, Taniguchi).

SCRep. 1588 Ways and Means on H.B. No. 523

The purpose and intent of this measure is to require each state agency serviced by the Department of Accounting and General Services to provide for the collection of recyclable materials.

More specifically, this measure requires the Department of Accounting and General Services to reasonably provide and maintain onsite collection methods at buildings and facilities it manages, maintains, or services for the collection of recyclable materials, including paper, plastics, and deposit beverage containers. This measure also appropriates funds to the Department of Accounting and General Services for this purpose.

Your Committee received written comments in support of this measure from the Conservation Council for Hawaii, American Chemistry Council, Sierra Club of Hawaii, and one individual.

Your Committee received written comments on this measure from the Department of Accounting and General Services.

Your Committee finds that increased access to recycling helps prevent litter and diverts waste from landfills, oceans, and waterways. Your Committee further finds that this measure increases access to recycling by requiring collection services at all state buildings and facilities.

Your Committee notes that the Department of Accounting and General Services estimates that contractor start-up costs for the program for twenty facilities would be \$45,000 and annual contracting costs would be \$625,240. The Department of Accounting and General Services further estimates that in-house start-up costs for the program for twenty facilities would be \$645,000 and annual in-house costs would be \$1,268,700.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 523, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1589 Ways and Means on H.B. No. 636

The purpose and intent of this measure is to conserve fresh water in the State.

More specifically, the measure:

- (1) Establishes within each county water supply department a two-year water conservation financial assistance pilot program to provide financial assistance to county-owned water systems to implement water conservation incentive programs;
- (2) Appropriates funds to support the county water conservation financial assistance pilot programs; and
- (3) Requires each county water supply department to provide funds on a dollar-to-dollar cost share basis to match state funds appropriated for the water conservation financial assistance program.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources; the Mayor's Office of the County of Hawaii; the Honolulu Board of Water Supply; One World One Water, LLC; The Nature Conservancy; Hawaii Fresh Water Initiative; Ulupono Initiative; Sierra Club of Hawaii; U.S. Green Building Code Council Hawaii Chapter; Hawaii Green Growth; and five individuals.

Your Committee finds that Hawaii, as an island state, has limited access to natural fresh water, and believes that providing state financial assistance to county-owned public water systems that implement water conservation measures and practices will reduce water use and waste.

Your Committee notes that questions have been raised regarding the Legislature's potential lack of statutory authority to require the establishment of specific programs within county agencies, or to require county agencies to expend county funds for a pilot program, absent statutory provisions conferring those authorities. Your Committee respectfully requests that those issues be addressed by a Conference Committee that may further consider this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 636, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1590 Ways and Means on H.B. No. 904

The purpose and intent of this measure is to improve the ability of the Hawaii Invasive Species Council to respond to newly detected invasive species threats.

Specifically, this measure:

- (1) Establishes the invasive species rapid response special fund;
- (2) Authorizes the Hawaii Invasive Species Council to submit a request to the Governor to declare that there is an invasive species emergency;
- (3) Authorizes the Hawaii Invasive Species Council to expend funds from the invasive species rapid response special fund following an invasive species emergency declaration by the Governor; and
- (4) Appropriates general funds to be deposited into the special fund for invasive species rapid response efforts.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Department of Agriculture, Hawaii Invasive Species Council, Mayor of Hawaii County, Little Fire Ant HUI, Conservation Council for Hawai'i, Big Island Invasive Species Committee, The Nature Conservancy, Coordinating Group on Alien Pest Species, and one individual.

Your Committee received written comments on this measure from the Department of Budget and Finance and State Procurement Office.

Your Committee finds that the State's budget process allocates funding for departmental programs and interagency projects at the beginning of each fiscal year. If an invasive species threat arises after the fiscal year begins, there may not be sufficient funds available to address it. Your Committee further finds that establishing a special fund to provide funding necessary to respond to invasive species threats at the time of detection will permit the State to respond when the likelihood of success is the highest and the cost of eradication is the lowest.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 904, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (English, Kahele).

SCRep. 1591 Ways and Means on H.B. No. 1593

The purpose and intent of this measure is to promote clean energy technology.

Specifically, this measure:

- (1) Establishes the Clean Energy Savings Jump Start Program and the Clean Energy Savings Jump Start Fund for the expenditure of moneys on rebate and other programs that rapidly advance state goals of clean energy and energy efficiency, with a focus on serving low- and middle-income residents;
- (2) Establishes the Energy Storage System Rebate Program as a three-year pilot program to incentivize the installation of energy storage systems that are installed concurrently with solar photovoltaic systems and are connected to a utility grid;
- (3) Repeals the requirement that the Hawaii Green Infrastructure Authority must obtain the prior approval of the Public Utilities Commission, in the form of a program order, to use funds in the Green Infrastructure Special Fund;

- (4) Appropriates funds from the Hawaii Green Infrastructure Special Fund or other eligible funds to be deposited into the Clean Energy Savings Jump Start Fund for the purposes of the Clean Energy Savings Jump Start Program; and
- (5) Appropriates funds from the Clean Energy Savings Jump Start Program Fund for the Energy Storage System Rebate Program.

Your Committee received written comments in support of this measure from the Hawaii Green Infrastructure Authority; Distributed Energy Resources Council of Hawaii; Hawaii Energy Connection, LLC; Sun King Inc.; Go Electric; Stem, Inc.; Green Charge; Advanced Microgrid Solutions; R & R Solar Supply; Hawaii Solar Energy Association; Tesla, Inc.; Geli; Alternate Energy, Inc.; Amber Kinetics; Inter-Island Solar Supply; American Electric, LLC; The Alliance for Solar Choice; Vivint Solar; Environmental Caucus; and eight individuals.

Your Committee received written comments in opposition to this measure from the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; and Hawaii Energy Policy Forum.

Your Committee received written comments on this measure from the Department of Budget and Finance; Department of Taxation; State Procurement Office; Public Utilities Commission; Tax Foundation of Hawaii; REACH; Arion Energy; and Ulupono Initiative.

Your Committee finds that the Hawaii Green Infrastructure Loan Program has failed to achieve its intended purposes of enabling low- to middle-income homeowners, renters, churches, and nonprofit organizations to obtain financing to install clean energy technology. Your Committee also finds that this measure is needed to stimulate a more rapid deployment of loans to assist residents and disadvantaged communities to invest in clean energy and energy efficiency.

Your Committee has amended this measure by:

- (1) Making the procuring of services to assist in administering the Clean Energy Savings Jump Start Program subject to, rather than exempt from, the state procurement code;
- (2) Disqualifying energy storage systems (or portions thereof) from the Energy Storage System Rebate Program within the Clean Energy Savings Jump Start Program if the renewable energy technologies income tax credit is claimed for those energy storage systems (or portions thereof);
- (3) Specifying the cents-per-watt-hour rebate rates under the Energy Storage System Rebate Program;
- (4) Requiring the energy storage system owner who claims a rebate to visibly and actually pass on the savings from the rebate program to the energy system user if the energy storage system owner provides third-party financing to the energy system user;
- (5) Specifying the applicable cap amounts of the rebate for each eligible energy system storage system with regard to single-family residential property, commercial property, and utility-scale energy storage systems;
- (6) Changing from December 31, 2017, to July 31, 2017, the date that determines whether the Energy Storage System Rebate Program is applicable to an eligible energy storage system installed and first placed in service;
- (7) Amending the proposed new definition of “eligible energy storage system” by removing the requirement that the facility, equipment, or apparatus receive electricity generated from a solar photovoltaic system;
- (8) Adding a new section to the measure that amends section 269-166, Hawaii Revised Statutes, to require the Hawaii Green Infrastructure Authority to allocate and transfer repayments of green infrastructure loans in a designated order of priority, if the Public Utilities Commission has authorized the application of the green infrastructure fee towards the reduction of the public benefits fee;
- (9) Specifying that part III, chapter 39, Hawaii Revised Statutes, relating to revenue bonds, will be the prevailing law in case of a conflict between this measure and part III, chapter 39, Hawaii Revised Statutes;
- (10) Providing that a specific program order and a specific financing order of the Public Utilities Commission will remain in effect until superseded or modified by a subsequent act of the Legislature or a decision and order of the Commission;
- (11) Changing the appropriation amount from the Hawaii Green Infrastructure Special Fund to be deposited into the Clean Energy Savings Jump Start Fund to an unspecified amount; and
- (12) Changing the appropriation amount from the Clean Energy Savings Jump Start Fund for the Energy Storage System Rebate Program to an unspecified amount.

Your Committee notes its concern that the beneficiaries of this measure are likely to be higher income earners who are able to afford the expense of an energy storage system as well as the necessary accompanying energy generation system. Your Committee, however, further notes that the Green Energy Market Securitization Program is financially supported by all ratepayers, even the lowest income earners.

Your Committee also notes that the amendment to section 269-166, Hawaii Revised Statutes, is intended to maintain in statute public benefit fee replenishment provisions that are essentially identical to those established by the Green Energy Market Securitization Program Order (Decision and Order No. 32318, September 30, 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. 1593, 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. 1593, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Wakai).

SCRep. 1592 Ways and Means on H.B. No. 552

The purpose and intent of this measure is to maintain current levels of health insurance coverage for Hawaii residents.

Specifically, the measure:

- (1) Ensures that the benefits of the federal Patient Protection and Affordable Care Act, particularly those relating to the individual mandate, minimum essential benefit requirements, extended dependent coverage, and prohibitions on preexisting condition exclusions and gender discrimination in premiums and costs, are preserved under state law if the federal act is repealed;
- (2) Establishes a trust fund and procedures to reimburse insurers for the unrecouped costs of providing minimum essential insurance benefits;
- (3) Establishes the medicaid plus program in the Department of Human Services to provide insurance coverage to individuals and qualifying families whose income is between 138.5 per cent and 250 per cent of the federal poverty level for Hawaii; and
- (4) Establishes the affordable health insurance working group to address the complexities of the health care system in Hawaii and the related uncertainty over the future of the federal Patient Protection and Affordable Care Act.

Your Committee received written comments in support of this measure from the Hawaii Civil Rights Commission; Insurance Division, Department of Commerce and Consumer Affairs; Special Education Advisory Council; Healthcare Association of Hawaii; Planned Parenthood Votes Northwest and Hawaii; American Diabetes Association; American Heart Association; March of Dimes; Hawaii Section of the American Congress of Obstetricians and Gynecologists; IMUAlliance; ILWU Local 142; Hawaii Public Health Institute; The Queen's Health Systems; AARP Hawaii; Healthy Mothers Healthy Babies Coalition of Hawaii; and one individual.

Your Committee received written comments in opposition to this measure from the Hawaii Employer-Union Health Benefits Trust Fund (EUTF), and two individuals.

Your Committee received written comments on this measure from the Department of Labor and Industrial Relations; Department of Human Services; Department of Budget and Finance; Department of Taxation; Legislative Reference Bureau; Tax Foundation of Hawaii; Kaiser Permanente; HMSA; and Hawaii Children's Action Network.

Your Committee finds that for over forty years, Hawaii's Prepaid Health Care Act has ensured that Hawaii would have among the lowest levels of uninsured persons in the nation. The federal enactment of the Patient Protection and Affordable Care Act reduced the number of uninsureds even further, providing fifty-five thousand more Hawaii residents with access to affordable care from doctors and hospitals. This achievement is now potentially jeopardized with the possibility of new congressional action, and uncertainty abounds with respect to when and how the federal act will be "repealed and replaced." Your Committee believes that under a worse case scenario, this measure will serve to retain the best elements of the federal act, should the act be repealed.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

Your Committee notes that the EUTF submitted written comments in opposition to this measure, primarily because of the potential impacts upon state and county retirees. Your Committee requests the Conference Committee on this measure to consider the EUTF's concerns.

Your Committee also notes several substantive and technical issues for the Conference Committee's consideration. The substantive issues include the following:

- (1) Section 2 of the measure creates a new Hawaii Revised Statutes section -2, relating to "Management of the fund": The cross-reference to "chapter 37" in the provision requiring the Director of Finance to be liable for the performance of the director's duties, as provided under chapter 37, HRS, seems inapposite because chapter 37, HRS, deals primarily with the executive budget and the allotment system. In contrast, chapter 36, HRS, deals with the management of state funds; and
- (2) Section 2 of the measure creates a new Hawaii Revised Statutes section -4, relating to "Entitlement to premium supplementation": Specifically, section -4 provides that only an "insurer" is entitled to premium supplementation and only for "individual" policies, plans, contracts, and agreements, even though the minimum essential coverage requirements under sections 5 to 7 of the measure are imposed upon mutual benefit societies and health maintenance organizations, as well as insurers, and apply to both *individual* and *group* policies, plans, contracts, and agreements.

The technical issues include the following:

- (1) Section 2 of the measure creates new Hawaii Revised Statutes sections -2, relating to "Management of the fund," and -3, relating to "Disbursements from the fund": State laws are referenced but without specific statutory references. It is therefore unclear which laws are referred to by the phrases "the general depository law of the State" and "provisions of law requiring specific appropriations or other formal release by the state officers of money in their custody";
- (2) Section 2 of the measure creates new Hawaii Revised Statutes section -4, relating to "Entitlement to premium supplementation": Contrary to the language as drafted, it does not appear that proposed new Hawaii Revised Statutes "section 235-A," which is an individual income tax section, requires insurers to provide the minimum essential coverage. Rather, it would appear that this requirement is imposed upon insurers and like entities under the new sections relating to "Essential health care benefits" and "Extension of dependent coverage" that are being added to chapters 431, 432, and 432D, Hawaii Revised Statutes, in sections 5, 6, and 7 of the measure;
- (3) Section 5 of the measure adds four new sections to article 10A, chapter 431, Hawaii Revised Statutes, but does not specify the parts of article 10A to which the sections should be added. Furthermore, three of them, specifically, the sections entitled, "Extension of dependent coverage," "Prohibition of preexisting condition exclusions," and "Prohibited discrimination in

premiums or contributions,” deal with both individual and group policies. Part I of article 10A deals only with individual policies while part II deals only with group policies; and

- (4) Section 7 of the measure adds two new sections relating to “Essential health care benefits” and “Extension of dependent coverage,” respectively, to chapter 432D, Hawaii Revised Statutes, relating to health maintenance organizations. The consistent prior practice for amending required coverages for health maintenance organization policies has been to amend section 432D-23, HRS, to add cross references to the counterpart provisions that are being added to article 10A of chapter 431, HRS.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 552, 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. 552, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Riviere).

SCRep. 1593 Ways and Means on H.B. No. 1044

The purpose and intent of this measure is to replace the certification and verification requirements administered by the Department of Business, Economic Development, and Tourism regarding the renewable fuels production tax credit with a requirement that the taxpayer file a third-party certified statement with the Department.

Your Committee received written comments in support of this measure from the Department of Taxation and the Department of Business, Economic Development, and Tourism.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Business, Economic Development, and Tourism is unable to fulfill the duties of certification, verification, and administration relating to the renewable fuels productions tax credit. Specifically, the Department does not have sufficient:

- (1) Expertise in tax accounting;
- (2) Knowledge of fuels production industries necessary to verify the actual renewable fuels production and sale; or
- (3) Resources, including management database, budget, and human resources, to administer the certification and verification requirements of the tax credit.

Your Committee believes that submission of a taxpayer-completed statement, which is certified by a third-party, will relieve the Department of burdensome requirements it cannot adequately perform, while ensuring that the credit is claimed correctly.

Your Committee has amended this measure by:

- (1) Making the measure applicable to taxable years beginning after December 31, 2050, to facilitate further discussion on the measure; and
- (2) Making a technical nonsubstantive change to conform the measure with standard drafting practices.

Your Committee requests the Conference Committee on this measure, especially the Senate conferees, review certain differences between this measure and its companion, Senate Bill No. 910, Senate Draft 2. Specifically, your Committee notes the following issues for consideration:

- (1) Section 235-110.31(c), Hawaii Revised Statutes, as amended by this measure, requires that a taxpayer complete and file an “independent, third-party certified statement.” Whereas, this measure’s companion requires that the taxpayer complete and file “a certified statement”. Furthermore, within subsection (c), this measure requires the taxpayer to provide “[t]he proposed total amount of credit to which the taxpayer is entitled for each calendar year and the cumulative amount of the tax credit the taxpayer received during the credit period.” Whereas, this measure’s companion requires that the taxpayer provide “[t]he proposed total amount of credit to which the taxpayer is entitled”; and
- (2) Section 235-110.31(g), Hawaii Revised Statutes, as amended by this measure, requires the information collected and compiled by the Department of Business, Economic Development, and Tourism under section 235-110.31(c) and (d), Hawaii Revised Statutes, to be made available for public inspection and dissemination pursuant to chapter 92F, Hawaii Revised Statutes (Uniform Information Practices Act). The measure also provides for public inspection and dissemination of: a written notice of a taxpayer’s intention to begin production of renewable fuels under section 235-110.31(i), Hawaii Revised Statutes; and a taxpayer’s written notice provided within 30 days following the start of production under section 235-110.31(j), Hawaii Revised Statutes. In contrast, this measure’s companion is phrased more broadly with regard to the scope of information that would be subject to public inspection and dissemination, requiring “the information compiled by the Department ... [to] be available for public inspection and dissemination”.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1044, 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. 1044, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1594 Ways and Means on H.B. No. 1022

The purpose and intent of this measure is to appropriate moneys to satisfy various claims against the State, its officers, or its employees.

Your Committee received written comments in support of this measure from the Department of the Attorney General and Department of Transportation.

Your Committee finds that the State has a responsibility to promptly satisfy all claims against the State upon the resolution of those claims. Your Committee further finds that since this measure was last amended, the State has resolved three additional claims totaling \$11,030,000.

Your Committee has amended this measure by:

- (1) Inserting an appropriation in the amount of \$875,000 for a settlement in the case of Rooney, et al. v. State of Hawaii, et al., Civil No. 14-0323(2), Second Circuit;
- (2) Inserting an appropriation in the amount of \$75,000 for a settlement in the case of Silva v. State of Hawaii, et al., Civil No. 15-1-269K, Third Circuit;
- (3) Authorizing the amount of \$10,080,000 for a settlement in the case of Helix Electric, Inc. v. DCK Pacific Construction, LLC, et al., Civil No. 16-1-1090-06, First Circuit;
- (4) Changing the appropriation for the settlement in the case of Bridge Aina Le'a, LLC v. State of Hawaii Land Use Commission, Civil No. 11-00414 SOM KJM, USDC, from \$1 to \$1,000,000;
- (5) Making the measure effective upon its approval; and
- (6) Making technical nonsubstantive changes 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. 1022, 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. 1022, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.
Ayes, 11. Noes, none. Excused, none.

SCRep. 1595 Ways and Means on H.B. No. 575

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to extend commercial, hotel, resort, and industrial leases for state lands in the Banyan Drive and Kanoelehua industrial area of Hilo, Hawaii, for lessees to make qualifying substantial improvements to the land.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii, the Building Industry Association of Hawaii, Chamber of Commerce Hawaii, Hawaii Association of REALTORS, Hawaii Government Employees Association, Hilo Health Cooperative, HPM Building Supply, the Kanoelehua Industrial Area Association, OceanFront 121 Residential Hotel, Takamine Construction, Inc., and two individuals.

Your Committee received written comments on this measure from the Department of the Attorney General, the Department of Land and Natural Resources, the County of Hawaii Planning Department, and one individual.

Your Committee finds that public land leases are statutorily limited to sixty-five years without the possibility of renewing the terms of the lease, which leaves long-standing lessee businesses with little incentive to make major repairs or improvements to applicable leasehold properties during the last five to fifteen years of the lease. Your Committee believes that creating a mechanism to assist these lessees and encourage economic development on leasehold properties by allowing the lessees to voluntarily request that their leases be offered for bid at a public auction, and allowing the lessees to bid on new leases, is in the public interest.

Your Committee respectfully requests that the Conference Committee on this measure consider the following issues that have been raised:

- (1) Whether, for purposes of clarity, the phrase "notwithstanding any lease provision to the contrary" should be inserted on page 3, lines 19-21, to provide that "unless specifically required to do so by the board, notwithstanding any lease provision to the contrary, a relinquishing lessee shall not be required to remove improvements or restore the land to a vacant condition";
- (2) Whether the "board", rather than the "department", should be designated on page 4, line 15, as the authority for allowing a relinquishing lessee to remain on the land longer than the prescribed period;
- (3) Whether lease terms for a new auctioned lease that require the payment of a premium equal to the residual value of any improvements should be deleted as inconsistent with the State's obligations under the public land trust recognized by Article XII, section 4, of the state constitution;
- (4) Whether a lessee should be compensated for the value of improvements made by the lessee, due to the lessee's voluntary early lease termination; and
- (5) Whether remaining lease rent should be clarified upon a lessee's relinquishing of an original lease term.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 575, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Shimabukuro).

SCRep. 1596 Ways and Means on H.B. No. 498

The purpose and intent of this measure is to facilitate the proliferation of early learning in the State.

Specifically, this measure:

- (1) Broadens the scope of the early learning program to include early childhood development;
- (2) Expands the function of the Early Learning Advisory Board beyond an advisory capacity and amends the composition and powers of some board members; and
- (3) Requires the Early Learning Advisory Board to appoint and evaluate the director of the Executive Office on Early Learning.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, Hawaii State Public Charter School Commission, Early Learning Advisory Board, Kamehameha Schools, and Hawaii Children's Action Network.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee notes that the Department of Human Services requested an amendment that would provide for the definitions of "at-risk children" and "underserved children" directly in section 346-181, Hawaii Revised Statutes, rather than referencing existing definitions in section 302L-1, Hawaii Revised Statutes, given that the priority for these children under the Department's Preschool Open Doors Program differs from that of the Public Prekindergarten Program under the measure.

In addition, the Executive Office on Early Learning requested amendments to the definitions of "early learning" and "early learning system" in section 302L-1, Hawaii Revised Statutes, and to section 346-181(b), Hawaii Revised Statutes, to make it clear that the programs of the Executive Office on Early Learning are separate and distinct from the Preschool Open Doors Program.

Your Committee respectfully requests that those issues be addressed by a Conference Committee that may further consider this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 498, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 5 (English, Harimoto, Inouye, Taniguchi, Wakai).

SCRep. 1597 Judiciary and Labor on Jud. Com. No. 5

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

J.C. No. 5 BRIAN A. COSTA, for a term to expire in 6 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Brian A. Costa to possess the requisite qualifications to be considered for appointment to the District Court of the First Circuit.

Testimony in support of the appointment of Judge Costa was submitted by Retired Associate Justice Simeon Acoba, Supreme Court of the State of Hawaii; Retired Judge David W. Lo, District Court of the First Circuit; Afro American Lawyers Association of Hawaii; Mothers Against Drunk Driving Hawaii; and thirty-seven individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

After receiving his Associate in Applied Science degree in Business Administration from Erie Community College, Judge Costa graduated cum laude and obtained his Bachelor of Science degree in Management from Hawaii Pacific University. During his undergraduate studies at Hawaii Pacific University, he was a member of the Delta Mu Delta Honor Society and earned Dean's List honors. He later graduated Magna Cum Laude and received his Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa. During his tenure in law school, he was the recipient of the Bendet Fidell Sakai & Lee Award for a high grade in Corporations, and the CALI Excellence for the Future Award for a high grade in Corporations and Immigration Law.

Judge Costa is currently an Attorney Member Manager of Costa & DeLacy, L.L.C., where he focuses his practice on criminal defense law, traffic matters, and driving under the influence cases. He has represented hundreds of criminal defendants in the District Court, performed numerous trials in the District Court for criminal and traffic matters, represented hundreds of respondents at the Administrative Driver's License Revocation Office, and represented more than ten clients in appellate matters involving criminal, civil, and family law. Prior to establishing his own private practice, he served as a Law Clerk for (Retired) Associate Justice Simeon Acoba of the Hawaii Supreme Court, a Deputy Prosecuting Attorney for the Department of the Prosecuting Attorney of the City and County of Honolulu, and Law Clerk and later Associate at Goodwill Anderson Quinn & Stifel.

Judge Costa is also serving a second term as a Per Diem District Family Court of the First Circuit. As a Per Diem Judge, he has presided over various matters, including divorce, annulment, paternity, petitions for orders of protection, guardianship, involuntary hospitalization, and adoption.

Judge Costa has extensive service in the legal community. He has served as a Member of the Administration Committee of the Hawaii Access to Justice Commission, Member of the Pro Bono Initiatives Task Force of the Hawaii Access to Justice Commission, and Member of the Hawaii State Trial Judges Association and Hawaii State Bar Association Committee. He previously participated in the Criminal Law Forum, Bench Bar Conference, and Courts in the Community Program and assisted with the Ad Hoc Ignition

Interlock Task Force and Operating a Vehicle while Under the Influence of an Intoxicant (OVUII) Task Force. Also, his work has been published in the Hawaii Bar Journal.

Testimony in support of Judge Costa's appointment commends his experience in the private and public sectors. He has comprehensive knowledge of criminal law due to his years specializing in this area while in private practice and as a Deputy Prosecuting Attorney. As a Per Diem Family Court Judge, he has impressed attorneys who have appeared before him with his judicial temperament and exercise of fairness to both sides. He displays independent judgment, integrity, acute analytical skills, deep awareness of the issues, and compassion. All of these qualities are essential for District Court Judge of the First Circuit.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1598 Judiciary and Labor on Jud. Com. No. 6

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

J.C. No. 6 DAROLYN LENDIO HEIM, for a term to expire in 6 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Darolyn Lendio Heim to possess the requisite qualifications to be considered for appointment to the District Court of the First Circuit.

Testimony in support of the appointment of Ms. Lendio Heim was submitted by Judge Leslie Kobayashi, United States District Court, District of Hawaii; Retired Associate Justice Robert G. Klein, Supreme Court of the State of Hawaii; Retired Associate Justice Simeon Acoba, Supreme Court of the State of Hawaii; Judge David A. Perkins, 36th District Court of the State of Michigan; Filipino-American Advocacy Network; Hawaii Filipino Lawyers Association; Hawaii Friends of Civil Rights; and seventy individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

Ms. Lendio Heim graduated magna cum laude and received her A.B. in Journalism and Political Science from the University of Southern California. During her undergraduate studies, she was a member of Phi Beta Kappa, Phi Kappa Phi, and Mortar Board, and was named an Outstanding Senior. She later obtained her Doctorate of Jurisprudence from Boalt Hall School of Law at the University of California Berkeley. Ms. Lendio Heim is currently a Partner at McCorrison Miller Mukai MacKinnon LLP, where she focuses her practice in the areas of civil and commercial litigation, government and administrative law, employment law, land use, contracts, insurance law, insurance defense, insurance bad faith law, government relations, and higher education law.

Ms. Lendio Heim previously served as the Vice President for Legal Affairs and University General Counsel for the University of Hawaii System, which is a cabinet level position that directly reports to the University of Hawaii Board of Regents. In this capacity, she held supervisory authority over all legal matters in the University of Hawaii System. During her tenure at the University of Hawaii, she also served as the Interim Executive Administrator and Secretary of the University of Hawaii Board of Regents. She also previously served as Director of the Department of the Corporation Counsel of the City and County of Honolulu, an Associate for Goodwill Anderson Quinn & Stifel, and Extern for Associate Justice Yoshimi Hayashi of the Hawaii State Supreme Court.

Ms. Lendio Heim has extensive service in the legal community, including the Judicial Council, Permanent Committee on Rules of Civil Procedure and Circuit Courts, Arbitrator Mentoring Program of the Court Annexed Arbitration Program, Hawaii Filipino Lawyers, and Hawaii Women Lawyers. She has also been previously involved with the Honolulu Charter Commission, Honolulu Board of Water Supply, Honolulu Police Commission, Hawaii State Bar Association, American Bar Association, and Commission on Judicial Conduct. She has also served as a guest speaker or lecturer on numerous occasions to speak on various legal topics and is the published author of *Bad Faith Litigation in Hawaii* (National Business Institute 1993).

Testimony in support of Ms. Lendio Heim indicates that she is an experienced litigator whose caseload included complex cases and issues, which have provided her with experience in understanding complex factual patterns and the application of the appropriate legal principles and law to appropriately resolve such issues and cases. Testifiers comment on her dedication to law, high degree of integrity, and willingness to share her insights on trial strategies and complex legal issues.

Of particular note, testifiers in support of Ms. Lendio Heim praise her contributions to the Filipino community and indicate that Filipinos, especially women, continue to be underrepresented in the legal profession and on the bench. Ms. Lendio Heim's service on the bench will more accurately reflect the diversity of Hawaii.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1599 Judiciary and Labor on Jud. Com. No. 7

Recommending that the Senate consent to the nomination of the following:

DISTRICT COURT OF THE FIRST CIRCUIT

J.C. No. 7 TRISH K. MORIKAWA, for a term to expire in 6 years

Your Committee has reviewed the resume and statements submitted by the appointee and finds Trish K. Morikawa to possess the requisite qualifications to be considered for appointment to the District Court of the First Circuit.

Testimony in support of the appointment of Judge Morikawa was submitted by the Attorney General; Retired Judge Richard K. Perkins, Circuit Court of the First Circuit; and forty individuals. Comments regarding the appointee were submitted by the Hawaii State Bar Association Board of Directors.

Judge Morikawa received her Bachelor of Arts degree from the University of Pennsylvania where she was a team member of the Varsity Volleyball team for four years and a member of the Friars Senior Honor Society. She subsequently obtained her Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa. She currently serves as an Associate at Gallagher, Kane & Amai, where she represents businesses and individuals in commercial, automobile, and homeowner insurance litigation in state and federal courts, mediation, and arbitration. She also currently serves as a Per Diem District Family Court Judge of the First Circuit, where she presides over temporary restraining order and protective order hearings and trials, petitions for guardianships and adoptions, preliminary hearings, juvenile detention home hearings, juvenile trials and motions, and divorce trials and motions.

Judge Morikawa previously served as a County Housing Coordinator for the Office of Housing of the City and County of Honolulu, where she was responsible for assisting in the Honolulu Affordable Housing Prevention Initiative, working on the Pathways Project, and coordinating many county agencies, departments, and service providers in the enforcement of the stored property ordinance. She also served as a Deputy Prosecuting Attorney at the Department of the Prosecuting Attorney of the City and County of Honolulu. As a Deputy Prosecuting Attorney, she prosecuted misdemeanor and traffic cases in District Court and Family Court, prosecuted felony cases in Circuit Court, and was assigned to the Sexual Assault Unit and Career Criminal Unit. She previously served as a Deputy Attorney General for the Department of the Attorney General, where she was the Lead Prosecutor and Assistant Grant Coordinator for the Internet Crimes Against Children Unit and High Technology Crimes Unit.

Judge Morikawa has extensive community service experience. She currently serves as a member of the Steering Committee of the Alignment Hawaii Initiative, Board member of the Partners in Development Foundation, and member of the Daughters of Hawai'i. She previously served as a Commissioner for the Hawaiian Homes Commission.

Testimony in support of Judge Morikawa's appointment indicate that she is highly regarded for her competence, experience, intelligence, and civility. She understands the importance of working together and using common sense. These qualities, along with her respect for the legal system and her desire to experience all of its aspects, are evidenced by her comprehensive legal experience as an attorney and Per Diem Judge. She has the reputation for being a person of integrity who treats everyone equally and fairly and has the ability to relate to and be respectful toward everyone – attributes that are especially important at the District Court level, where the public is more likely to come into contact with the court system.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1600 Higher Education on Gov. Msg. No. 613

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

GM. No. 613 CAROL LEE, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Carol Lee to possess the requisite qualifications to be nominated for reappointment to the Western Interstate Commission for Higher Education.

Your Committee received testimony in support of the nomination of Carol Lee for reappointment from the University of Hawai'i System.

Ms. Lee currently is the volunteer Chief Operating Officer for ThinkTech Hawaii, a nonprofit with a mission to raise public awareness and promote civic engagement through broadcast media. Your Committee finds that Ms. Lee has a legal, education, and administrative background with experience in teaching, higher education administration, and policymaking. Ms. Lee is a retired Associate Dean of the University of Hawaii William S. Richardson School of Law. After her retirement, Ms. Lee served as an elected member of the Board of Education, where she chaired the Legislation, Public Charter Schools and Public Library Committee, and the Superintendent Search and Selection Committee. She continues to volunteer her time as a member of the Board of Governors of University of California Hastings School of Law.

Your Committee further finds that Ms. Lee has received numerous honors for her work and service over the years, including the Hawaii State Bar Association's 'Ikena Award for Outstanding Service to Legal Education. Your Committee notes that Ms. Lee has served on the Western Interstate Commission for Higher Education (WICHE) since 2012 and during her time on the Commission has helped the University of Hawaii Richardson School of Law join WICHE's Western Regional Graduate Program. Your Committee finds that Ms. Lee's exceptional experience and dedication to public service qualify her for reappointment to the Commission.

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, 1 (Keith-Agaran).

SCRep. 1601 Higher Education on Gov. Msg. No. 598

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I MEDICAL EDUCATION COUNCIL

G.M. No. 598 MARK MUGIISHI, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Dr. Mark Mugiishi to possess the requisite qualifications to be nominated for appointment to the Hawaii Medical Education Council.

Your Committee received testimony in support of the nomination for the appointment of Dr. Mark Mugiishi from the University of Hawai'i System and Hawaii Medical Service Association.

Dr. Mugiishi currently serves as the Senior Vice President and Chief Medical Officer of the Hawaii Medical Services Association and is a practicing surgeon with Ekahi Health Systems, Central. Your Committee finds that Dr. Mugiishi has valuable experience in the healthcare provider, payer, and academic fields, and is also knowledgeable about the business aspects of healthcare as he served as the Medical Director of Cellular Bioengineering, Inc., and is Co-Founder of the Endoscopy Institute of Hawaii and the Eye Surgery Center of Hawaii.

Your Committee further finds that Dr. Mugiishi is the Associate Chair for the Department of Surgery for the John A. Burns School of Medicine and during his career has held key roles in the education of the next generation of surgeons in Hawaii, including serving as the Director of Surgical Education for the University of Hawaii Residency Program and Deputy Director of the Transitional Residency Program. Dr. Mugiishi's professional career demonstrates his passion for building excellent education programs to ensure that Hawaii builds a sustainable healthcare system, and a testament to this passion is that Dr. Mugiishi was named Teacher of the Year by the John A. Burns School of Medicine. Your Committee notes that Dr. Mugiishi is also an involved community member at Iolani School where he serves as Vice Chair of the Board of Governors and previously as the Varsity Boys' Basketball Coach. Your Committee finds that Dr. Mugiishi's experience and leadership, commitment to the next generation, and dedication to the community will be great assets to the Hawai'i Medical Education Council.

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, 5. Noes, none. Excused, none.

SCRep. 1602 International Affairs and the Arts on Gov. Msg. Nos. 539, 540, and 541

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I SISTER STATE COMMITTEE

G.M. No. 539 DEBRA NAKAMA, for a term to expire 06-30-2019;

G.M. No. 540 KAHO'OKELEHOLU HANNAHS, for a term to expire 06-30-2017; and

G.M. No. 541 KAHO'OKELEHOLU HANNAHS, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ms. Debra Nakama and Mr. Kaho'okeleholu Hannahs to possess the requisite qualifications to be nominated to the Hawai'i Sister State Committee.

DEBRA NAKAMA

Your Committee received testimony in support of the nomination for the appointment of Ms. Nakama from the Department of Business, Economic Development, and Tourism.

Ms. Nakama is currently the Vice Chancellor of Student Affairs at the University of Hawaii Maui College. She received a Doctorate of Philosophy in Education and a Master's degree in Educational Administration from the University of Hawaii at Manoa. Prior to serving as Vice Chancellor, Ms. Nakama was a Principal Investigator under the National Science Foundation Scholarship for Service Capacity Building Grant working to address the need for women and minorities in the field of cyber security. Ms. Nakama has extensive international experience including as a visiting professor at Mariano Marcos State University in the Philippines. She received the prestigious Doctoral Fellowship to the Community College Leadership Development Initiatives at Claremont Graduate University and received the Twenty Outstanding Filipinos Abroad Award in 2008. Your Committee finds that Ms. Nakama's background, knowledge, commitment, and leadership in education and international relations will be assets to the Hawai'i Sister State Committee.

KAHO'OKELEHOLU HANNAHS

Your Committee received testimony in support of the nomination for the appointment and reappointment of Mr. Hannahs from the Department of Business, Economic Development, and Tourism; and two individuals.

Mr. Hannahs is currently the Papakilo Database and Hale Noelo Project Manager at the Office of Hawaiian Affairs. Prior to his service at the Office of Hawaiian Affairs, Mr. Hannahs was a Project Coordinator at the Council for Native Hawaiian Advancement. He has a Bachelor of Arts in Hawaiian Studies with a concentration in history from the University of Hawaii at Manoa. Mr. Hannahs has also been an international ambassador of Hawaiian culture and history through his travels around the world as a professional musician. He has also served the music industry as the Vice President of the Board of Directors of the Hawai'i Academy of Recording Arts and as the current Hawaii representative on the Western Arts Alliance's Indigenous Performance Steering Committee. Your

Committee finds that Mr. Hannahs' professional experience, cultural and historical knowledge, managerial skills, and exquisite talent in music will be assets to the Hawai'i Sister State Committee.

As affirmed by the records of votes of the members of your Committee on International Affairs 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 (English, Ihara).

SCRep. 1603 Economic Development, Tourism, and Technology on Gov. Msg. No. 534

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

G.M. No. 534 JANE HORIKE, for a term to expire 06-30-2018

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Ms. Jane Horike to possess the requisite qualifications to be nominated for appointment to the Community-Based Economic Development Advisory Council.

Your Committee received testimony in support of the nomination for the appointment of Ms. Horike from the Department of Business, Economic Development, and Tourism; County of Hawaii Department of Research and Development; Hawaii County Economic Opportunity Council; and one individual.

Your Committee finds that Ms. Horike has over four decades of experience serving Hawaii's communities in the areas of program administration and technical assistance, including grant writing, funding assessment, and capacity building. Ms. Horike worked as a Program Specialist for the Hawaii County Economic Opportunity Council, a non-profit working to combat poverty, where she prepared grant applications, budgets, reports to funding sources, feasibility studies, and self-sustaining agricultural training projects. She has been a Hawaii County employee since 2000, and currently serves as an Economic Development Specialist in Hawaii County's Research and Development Division where she plans, organizes, researches, and conducts analyses to develop product and industrial expansion programs; and provides grants to non-profits for community economic development. Ms. Horike received a Bachelor of Business Administration, Economics, and Statistics from the University of Hawaii at Manoa.

Your Committee further notes that Ms. Horike has had various community economic development successes in her career, including her work to establish a Food Service Program while at the Hawaii County Economic Opportunity Council. The Food Service Program grosses over \$600,000 annually and feeds an average of 750 people daily. Ms. Horike's experience and in-depth knowledge of community-based economic development will be an invaluable asset to the council.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1604 Economic Development, Tourism, and Technology on Gov. Msg. No. 535

Recommending that the Senate advise and consent to the nomination of the following:

SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 535 ROBERT CUNDIFF, for a term to expire 06-30-2020

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Mr. Robert Cundiff to possess the requisite qualifications to be nominated for appointment to the Small Business Regulatory Review Board.

Your Committee received testimony in support of the nomination for the appointment of Mr. Cundiff from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; and Chamber of Commerce Hawaii.

Upon review of the testimony, your Committee finds that Mr. Cundiff's professional experience as a small business leader and commitment to public service qualify him for appointment to the Small Business Regulatory Review Board. Your Committee notes that Mr. Cundiff received a Bachelor of Business and Economics from Hawaii Loa College. Mr. Cundiff is currently Senior Vice President of Rengo Packaging, Inc., and past President of Hawaii Box & Packaging, Inc., and previously spent twenty-seven years as a general manager with Weyerhaeuser Company in Hawaii. He is active in many community organizations and serves on the Board of Parks and Recreation for the City and County of Honolulu, on the Board of Ahahui Koa Anuenu, and on the Advisory Board of the June Jones Foundation. Your Committee finds that Mr. Cundiff's strong business acumen and proven leadership will be assets to the Small Business Regulatory Review Board.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1605 Human Services on Gov. Msg. Nos. 544, 545, and 546

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON FATHERHOOD

- G.M. No. 544 DANIEL KITTREDGE, for a term to expire 06-30-2020;
 G.M. No. 545 RICHARD KEBO, for a term to expire 06-30-2019; and
 G.M. No. 546 SHANNON CARRIER, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds Daniel Kittredge, Richard Kebo, and Shannon Carrier to possess the requisite qualifications to be nominated to the Commission on Fatherhood.

DANIEL KITTREDGE

Your Committee received testimony in support of Daniel Kittredge from one individual.

Mr. Kittredge is currently a Supervising Waterworks Inspector III for the Construction Management Division of the Department of Water for the County of Kauai. He has also worked as a Project Manager for the Construction Management Division of the Department of Water for the County of Kauai and Senior Project Manager and Project Manager for Earthworks Pacific, Inc., indicating his leadership abilities and personnel and management skills. He is an active member of a local church and a youth soccer coach and referee. Having previously served on the Commission of Fatherhood, Mr. Kittredge demonstrates his high regard of fatherhood. Therefore, your Committee finds that Mr. Kittredge possesses the qualifications to serve on the Commission on Fatherhood.

RICHARD KEBO

Your Committee received testimony in support of Richard Kebo from nine individuals.

Dr. Kebo is currently a Consultant for the Small Business Development Center in Honolulu, assisting small businesses in strategic planning for the Honolulu Authority for Rapid Transportation Construction Mitigation Initiative, and Instructor at Argosy University, developing curriculum and providing instruction for post-graduate courses in business and leadership. He has also worked as a Consultant and Research Analyst for the Office of Hawaiian Affairs. Upon reviewing the testimony, your Committee finds that Dr. Kebo understands the importance of being a good father and role model to his family and has demonstrated good relationship building skills at the professional and personal level. Therefore, your Committee finds that Dr. Kebo possesses the qualifications to serve on the Commission on Fatherhood.

SHANNON CARRIER

Your Committee received testimony in support of Shannon Carrier from one individual.

Mr. Carrier is currently the Owner, Manager, and Investor at SMC Property Solutions, Inc., a real estate redevelopment and investing company. He has previously worked as a Fatherhood Involvement Team Coordinator and Teen Voices Facilitator at Maui Family Support Services, developing and implementing plans to engage fathers and male caregivers. Mr. Carrier has also been involved in various church leadership roles and has worked with fathers and families for over twenty years. Having previously served on the Commission on Fatherhood, Mr. Carrier demonstrates his understanding of the critical role fathers play in the family and community. Therefore, your Committee finds that Mr. Carrier possesses the qualifications to serve on the Commission on Fatherhood.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
 Ayes, 4. Noes, none. Excused, 1 (Tokuda).

SCRep. 1606 Human Services on Gov. Msg. Nos. 547, 548, and 549

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

- G.M. No. 547 GEORGE MASSENGALE, for a term to expire 06-30-2020;
 G.M. No. 548 LANELLE YAMANE, for a term to expire 06-30-2020; and
 G.M. No. 549 MARK TRAVALINO, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories and resumes submitted by the nominees and finds George Massengale, Lanelle Yamane, and Mark Travalino to possess the requisite qualifications to be nominated to the State Rehabilitation Council.

GEORGE MASSENGALE

Your Committee received testimony in support of George Massengale from one individual.

Your Committee finds that Mr. Massengale's background as a health advocate and advocate for individuals with disabilities qualify him to serve on the State Rehabilitation Council. Mr. Massengale is presently the Community Outreach and Advocacy Manager for the Hawaii Habitat for Humanity State Association, overseeing all outreach and advocacy activities in the State of Hawaii and Pacific Territories. Mr. Massengale has also served as the Legislative and Government Relations Director for the American Cancer Society Hawaii Pacific and Policy and Advocacy Director for the Coalition for a Tobacco-Free Hawaii. Your Committee notes that Mr. Massengale is active in the community as a member of the American Cancer Society and Hawaii Audubon Society and Board member

of Housing Hawaii, Inc. Your Committee therefore recommends that Mr. Massengale be appointed to the State Rehabilitation Council based on his background and dedication to serving the community.

LANELLE YAMANE

Your Committee received testimony in support of Lanelle Yamane from one individual.

Your Committee finds Ms. Yamane's professional qualifications and experiences in the field of vocational rehabilitation qualify her to serve on the State Rehabilitation Council. Ms. Yamane is presently a Vocational Rehabilitation Specialist for PACBLU Hawaii, providing, among other things, career counseling assistance to clients and personal, social, adjustment to disability, and vocational adjustment counseling. Ms. Yamane has also served as a Vocational Expert for the Social Security Administration in Hilo, Hawaii, as well as a Vocational Rehabilitation Specialist for the Department of Human Services' Division of Vocational Rehabilitation and Services for the Blind. In addition to being a Certified Rehabilitation Counselor, Ms. Yamane is a Licensed Mental Health Counselor and National Certified Counselor. She has demonstrated her leadership abilities by having served as President-Elect of the Hawaii Rehabilitation Counselor Association from 2014 to 2016. Your Committee therefore recommends that Ms. Yamane be appointed to the State Rehabilitation Council based on her extensive professional background in the field of vocational rehabilitation and leadership skills.

MARK TRAVALINO

Your Committee received testimony in support of Mark Travalino from two individuals.

Your Committee finds that Mr. Travalino's experience in the construction industry and his familiarity with on-site injuries in that occupational setting qualify him to serve on the State Rehabilitation Council. Mr. Travalino has been a Field Representative with Local 368 of the Laborer's International Union of North America for over twenty-five years. He has valuable insight into workplace injuries in the construction industry as he has worked as a General Laborer and Masonry Laborer in the past. Upon review of the testimony, your Committee further finds that Mr. Travalino understands the work environment and workers' compensation system very well, especially at it relates to the rehabilitation of workers in the construction industry. Your Committee therefore recommends that Mr. Travalino be appointed to the State Rehabilitation Council based on his experience in the labor industry and understanding of the difficulty and mental stress workers experience when attempting to re-enter the workforce after an accident.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1607 Agriculture and Environment on Gov. Msg. Nos. 614, 615, 616, 617, 618, and 619

Recommending that the Senate advise and consent to the nominations of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 614 MARY BEGIER, for a term to expire 06-30-2018;

G.M. No. 615 MICHAEL TULANG, for a term to expire 06-30-2020;

G.M. No. 616 PUANANIONAONA THOENE, for a term to expire 06-30-2020;

G.M. No. 617 ROBIN KAYE, for a term to expire 06-30-2020;

G.M. No. 618 STEPHANIE DUNBAR-CO, for a term to expire 06-30-2018; and

G.M. No. 619 THERESITA KINNAMAN, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mary Begier, Michael Tulang, Puananionaona Thoene, Robin Kaye, Stephanie Dunbar-Co, and Theresita Kinnaman to possess the requisite qualifications to be nominated to the Environmental Council.

MARY BEGIER

Your Committee received testimony in support of the nomination for the appointment of Ms. Mary Begier from the Office of Environmental Quality Control, Chamber of Commerce Hawaii, and six individuals.

Upon review of the testimony, your Committee finds that Ms. Begier's professional experience and background in business and real estate qualify her to be nominated for appointment to the Environmental Council. Your Committee notes that Ms. Begier is the Principal Broker and Owner of Mary Begier Realty, serves as a member of the Honolulu Board of REALTORS, and volunteers through the Rotary Club of Hilo Bay, Hawaii Island Chamber of Commerce, and Hawaii Island REALTORS. She served on the Hawaii State Foundation on Culture and the Arts for eight years and has been participating as an interim appointee on the Environmental Council. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Begier will continue to be an asset to the Environmental Council.

MICHAEL TULANG

Your Committee received testimony in support of the nomination for the appointment of Mr. Michael Tulang from the Office of Environmental Quality Control; Ponoholo Ranch, Limited; and Hawaii Cattleman's Council, Inc.

Upon review of the testimony, your Committee finds that Mr. Tulang's professional experience and background in agricultural and environmental fields qualify him to be nominated for appointment to the Environmental Council. Your Committee notes that Mr.

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Tulang has worked for the United States Department of Agriculture Natural Resources Conservation Service as a Watershed Planning Economist and Resource Conservationist and served as Executive Director of the Hawaii Association of Conservation Districts. He is a member of the Hawaii Island Workforce and Economic Development Ohana Board, Boys and Girls Club Board, Phi Sigma Epsilon, and Hawaii Cattlemen's Association, and has been participating as an interim appointee on the Environmental Council. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Tulang will continue to be an asset to the Environmental Council.

PUANANIONAONA THOENE

Your Committee received testimony in support of the nomination for the appointment of Ms. Puananionaona Thoene from the Office of Environmental Quality Control and ten individuals.

Upon review of the testimony, your Committee finds that Ms. Thoene's professional experience and background in land use and environmental law qualify her to be nominated for appointment to the Environmental Council. Your Committee notes that Ms. Thoene practices in the areas of land use law, environmental law, corporate law, administrative law, and real property law. She serves as a member of the Hawaiian Islands Land Trust O'ahu Island Advisory Council and Prince Kuhio Hawaiian Civic Club, volunteers with the Hawai'i Access to Justice Commission, and has been participating as an interim appointee on the Environmental Council. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Thoene will continue to be an asset to the Environmental Council.

ROBIN KAYE

Your Committee received testimony in support of the nomination for the appointment of Mr. Robin Kaye from the Office of Environmental Quality Control, Conservation Council for Hawai'i, Marine and Coastal Zone Advocacy Council, and thirteen individuals.

Upon review of the testimony, your Committee finds that Mr. Kaye's professional experience and background in management consulting and conservation qualify him to be nominated for appointment to the Environmental Council. Your Committee notes that Mr. Kaye serves as the spokesperson for Friends of Lāna'i and provides consulting services to the Lāna'i Youth Center, Lāna'i Culture & Heritage Center, Coalition for a Drug Free Lāna'i, and Lāna'i Community Health Center. He has served on the Marine and Coastal Zone Advocacy Council, Board of the Conservation Council for Hawai'i, and E Alu Pū, and co-founded the Lāna'i Limu Restoration Project. He has been participating as an interim appointee on the Environmental Council. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Kaye will continue to be an asset to the Environmental Council.

STEPHANIE DUNBAR-CO

Your Committee received testimony in support of the nomination for the appointment of Ms. Stephanie Dunbar-Co from the Office of Environmental Quality Control; Ponoholo Ranch, Limited; Hawaii Cattlemen's Council, Inc.; The Nature Conservancy Hawai'i; and two individuals.

Upon review of the testimony, your Committee finds that Ms. Dunbar-Co's professional experience, education, and background in the ecology, evolution, and conservation biology of Hawaiian flora qualify her to be nominated for appointment to the Environmental Council. Your Committee notes that Ms. Dunbar-Co is the East Slope Project Manager with The Nature Conservancy and led the expansion of the East Molokai Watershed Partnership. She serves as the Program Manager of Kainalu Ranch and has been participating as an interim appointee on the Environmental Council. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Dunbar-Co will continue to be an asset to the Environmental Council.

THERESITA KINNAMAN

Your Committee received testimony in support of the nomination for the appointment of Ms. Theresita Kinnaman from the Office of Environmental Quality Control.

Upon review of the testimony, your Committee finds that Ms. Kinnaman's experience and background as an advocate for community needs and conservation qualify her to be nominated for appointment to the Environmental Council. Your Committee notes that Ms. Kinnaman is Secretary of the cultural non-profit organization Hui Malama O Kāneiolouma and has served on the County of Kauai Open Space Commission, National Tropical Botanical Gardens Lāwa'i Kai Resource Advisory Committee, and Koloa Community Association Board of Directors. She has been participating as an interim appointee on the Environmental Council. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Kinnaman will continue to be an asset to the Environmental Council.

As affirmed by the records of votes of the members of your Committee on Agriculture 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, 4. Noes, none. Excused, 1 (Ruderman).

SCRep. 1608 Judiciary and Labor on Gov. Msg. Nos. 550 and 551

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAII

G.M. No. 550 ANDREW CHUN, for a term to expire 06-30-2018; and

G.M. No. 551 DAVID YONAN, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Andrew Chun and David Yonan to possess the requisite qualifications to be nominated to the Board of Registration of the Island of Hawai'i.

ANDREW CHUN

Your Committee received testimony in support of the nomination for the appointment of Andrew Chun from the Office of Elections.

Mr. Chun currently serves as Senior Vice President of Administrative Services for KTA Super Stores, where he is primarily responsible for the leadership and management of the facility, safety, and security areas of the organization. He is also responsible for enhancing communications between the various administrative departments and store operations.

Mr. Chun has extensive community service involvement, including currently serving as President of the American Red Cross East Hawaii Advisory Board and a Board Member of Big Brothers Big Sisters Hawaii Island. He previously served as President of the Crescent City Lions Club and Chairperson of the Positive Coaching Alliance.

Mr. Chun was appointed on August 11, 2016, on an interim basis and served as a Board of Registration member during the 2016 Primary and General Elections. His business and management background, community service, recent tenure with the Board, and willingness to continue to serve make Mr. Chun an excellent nominee for appointment to the Board of Registration.

DAVID YONAN

Your Committee received testimony in support of the nomination for the appointment of David Yonan from the Office of Elections.

Mr. Yonan is a retiree residing on the Island of Hawaii. He currently serves as the East Hawaii County Chair in charge of the Hawaii Republican Party on the East side of the Island of Hawaii. Prior to his retirement in Hawaii, Mr. Yonan served as a firefighter and paramedic for the Los Angeles County Fire Department. He also served as Fire Captain where he supervised three to ten firefighters and engineers at a fire station, was in charge of all emergency medical and fire scenes, performed fire prevention inspections, and was responsible for personnel training.

Mr. Yonan was appointed on August 11, 2016, on an interim basis and served as a Board of Registration member during the 2016 Primary and General Elections. His public and community service background, recent tenure with the Board, and willingness to continue to serve make Mr. Yonan an excellent nominee for appointment to the Board of Registration.

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 (Kim).

SCRep. 1609 Judiciary and Labor on Gov. Msg. Nos. 552, 553, and 554

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKA'I, LANA'I, AND KAHO'OLAWA

G.M. No. 552 BARBARA BAISA, for a term to expire 06-30-2017;

G.M. No. 553 BARBARA BAISA, for a term to expire 06-30-2021; and

G.M. No. 554 LEO CAIRES, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Barbara Baisa and Leo Caires to possess the requisite qualifications to be nominated to the Board of Registration of the Islands of Maui, Moloka'i, Lana'i, and Kaho'olawe.

BARBARA BAISA

Your Committee received testimony in support of the nomination for the appointment and reappointment of Barbara Baisa from the Office of Elections.

Ms. Baisa is a retired homemaker residing in the County of Maui. She was appointed on November 4, 2016, on an interim basis and served as a Board of Registration member during the 2016 General Election. Her recent tenure with the Board and willingness to continue to serve make Ms. Baisa an excellent nominee for appointment and reappointment to the Board of Registration.

LEO CAIRES

Your Committee received testimony in support of the nomination for the appointment of Leo Caires from the Office of Elections.

Mr. Caires is the Co-founder of Gen-X Energy Development LLC, which is a solar and wind developer. He previously served as Director of Business Development for Entegri Wind Systems, Inc., in Boulder, Colorado.

Mr. Caires has extensive community service involvement, including being appointed by the Mayor of the County of Maui to serve as the Vice-Chairperson of the Maui County Cost of Government Commission in 2008-2009; and serving as a member of the Maui Native Hawaiian Chamber of Commerce, volunteer for the Maui 4-H Livestock Association, and First Nations Future Fellow in 2015.

Mr. Caires was appointed on August 11, 2016, on an interim basis and served as a Board of Registration member during the 2016 Primary and General Elections. His corporate management background, community service experience, recent tenure with the Board, and willingness to continue to serve make Mr. Caires an excellent nominee for appointment to the Board of Registration.

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 (Kim).

SCRep. 1610 Judiciary and Labor on Gov. Msg. No. 555

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF MAUI, MOLOKA'I, LANA'I, AND KAHO'OLAWA

G.M. No. 555 SHAUN LYONS, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Shaun Lyons to possess the requisite qualifications to be nominated to the Board of Registration of the Islands of Maui, Moloka'i, Lana'i, and Kaho'olawe.

Your Committee received testimony in support of the nomination for the appointment of Shaun Lyons from the Office of Elections.

Ms. Lyons is a retired small business owner residing in the County of Maui. She was appointed on August 12, 2016, on an interim basis and served as a Board of Registration member during the 2016 Primary and General Elections. Her business and community service background, recent tenure with the Board, and willingness to continue to serve make Ms. Lyons an excellent nominee for appointment to the Board of Registration.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1611 Judiciary and Labor on Gov. Msg. No. 757

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 757 GLADYS MARRONE, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Gladys Marrone to possess the requisite qualifications to be nominated to the Hawai'i Workforce Development Council.

Your Committee received testimony in support of the nomination for the appointment of Ms. Gladys Marrone from the Hawai'i Workforce Development Council; Department of Labor and Industrial Relations; Chamber of Commerce Hawaii; Hawai'i Farm Bureau; Pacific Resource Partnership; Hawaii Laborers-Employers Cooperation and Education Trust; Graham Builders, Inc.; RMA Sales; and nine individuals.

Upon review of the testimony, your Committee finds that Ms. Marrone's professional experience, legal education, and background in the construction industry qualify her to be nominated for appointment to the Hawai'i Workforce Development Council. Your Committee notes that Ms. Marrone is the Chief Executive Officer and prior Government Relations Director of the Building Industry Association of Hawaii and serves on the City and County of Honolulu Transportation Commission. She has previously worked as the Director of Research and Legal Affairs of the Land Use Research Foundation of Hawaii and Associate Director of Policy and Planning of the Hawaii Institute for Public Affairs. Ms. Marrone is actively involved in the Construction Training Center of the Pacific and serves on the Sector Strategies and Career Pathways Committee of the Hawai'i Workforce Development Council as an interim appointee. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Marrone will continue to be an asset to the Hawai'i Workforce Development 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 (Thielen).

SCRep. 1612 Commerce, Consumer Protection, and Health on H.C.R. No. 164

The purpose and intent of this measure is to consider the benefits of medication synchronization by requesting the Director of Health to convene a medication synchronization working group to explore and propose legislation.

Your Committee received testimony in support of this measure from the Daniel K. Inouye College of Pharmacy at the University of Hawai'i at Hilo, Hawaii Pharmacists Association, Walgreen Company, CVS Health/Longs Drugs, Times Pharmacy, Kaiser Permanente, and one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that many states across the country are approving medication synchronization for commercial patients. Your Committee further finds that medication synchronization has the potential to improve patient health, reduce costs to insurers, and promote efficient workflow in pharmacies by allowing pharmacists and patients to work together to synchronize a patient's medications for pick-up on the same day each month. Furthermore, studies demonstrate that appointment-based medication

synchronization can significantly improve medication adherence rates. Your Committee notes that medication synchronization also has the potential to simplify therapeutic regimes and improve access to care for patients living in rural areas or patients with limited means of transportation.

Your Committee has amended this measure by:

- (1) Inserting language to add Kaiser Permanente to the working group;
- (2) Making a technical amendment to its title; and
- (3) 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, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 164, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1613 Commerce, Consumer Protection, and Health on H.C.R. No. 129

The purpose and intent of this measure is to improve the detection and early treatment of colorectal cancer by requesting the Department of Health to convene a working group to develop recommendations to increase colorectal cancer screening rates.

Your Committee received testimony in support of this measure from the Department of Health; University of Hawai'i Cancer Center; Hawaii Primary Care Association; American Cancer Society, Cancer Action Network; and fifteen individuals.

Your Committee finds that increased colorectal cancer screening can save many lives in Hawaii. Nationwide, states and organizations are committing to the "80% by 2018" initiative, which is an effort to eliminate colorectal cancer as a major public health problem by getting eighty percent of adults aged fifty and older screened for colorectal cancer by 2018. Your Committee notes that early detection is critical because survival rates for localized disease are ninety percent, yet between 2009 and 2013 fifty percent of colorectal cancer cases in Hawaii were diagnosed at late stages. Your Committee further finds that colorectal cancer is the second leading cause of cancer deaths in Hawaii, and the mortality rate is highest for Native Hawaiians.

Your Committee additionally finds that colorectal cancer is a cause of considerable suffering among more than one hundred forty thousand adults in the country diagnosed with this cancer each year. In Hawaii, approximately six hundred sixty residents are diagnosed with colorectal cancer each year, and an average of two hundred forty residents die from the disease each year. Your Committee emphasizes that a priority of the Hawaii State Cancer Plan is to increase colorectal screening rates and reduce morbidity and mortality of colorectal cancer through screening and early detection. Your Committee finds that there is work to be done to increase colorectal cancer screening rates in an effort to lessen the physical, emotional, and financial burden that often accompany a cancer diagnosis. Your Committee notes that there are many community partners committed to working together to improve colorectal cancer screenings in Hawaii.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ihara, Kidani, Ruderman).

SCRep. 1614 Higher Education on S.R. No. 89

The purpose and intent of this measure is to urge the University of Hawaii to examine the status of the University's online programs to consider increasing its online accredited courses and degree programs.

Your Committee received testimony in support of this measure from three individuals. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that online courses and degree programs are increasingly important to provide access to education for as many students as possible. Your Committee further finds that while the University of Hawaii offers many online courses and some online degree and certificate programs, the University could make stronger efforts to expand its online accredited programs. Your Committee notes that the University of Hawaii has the opportunity to offer unique and valuable perspectives to local and out-of-state students on many issues, and to potentially make higher education an option for individuals who are not able to attend courses in person.

Your Committee has amended this measure by:

- (1) Inserting a provision urging the University of Hawaii to examine whether a reduced tuition rate for students of online courses and programs would help incentivize potential students to pursue higher education;
- (2) Requesting that the University of Hawaii Professional Assembly receive a copy; 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. 89, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.R. No. 89, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1615 Water and Land on H.C.R. No. 106

The purpose and intent of this measure is to request the Auditor to conduct a performance audit of the Department of Land and Natural Resources' Division of Boating and Ocean Recreation.

Your Committee received testimony in support of this measure from the Office of the Prosecuting Attorney of the County of Hawai'i; Li'i Makau, Inc.; and eleven individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee notes that in recent years there have been numerous concerns raised regarding the Department of Land and Natural Resources' Division of Boating and Ocean Recreation, particularly the Division's perceived lack of effective communication with the boating community, inconsistency in interpreting and enforcing administrative rules, management, and ongoing issues of employee misconduct complaints and ethics violations. Your Committee notes that the Division's jurisdiction encompasses a wide range of boating and ocean activities that significantly impact our local communities. Your Committee finds that the public interest is best served by government transparency and accountability, and finds this measure is necessary to address the public perception of the Division of Boating and Ocean Recreation.

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. 106, H.D. 1, and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1616 Transportation and Energy on H.C.R. No. 47

The purpose and intent of this measure is to request the Department of Transportation to study the need for and feasibility of establishing a government-subsidized interisland ferry system between the Islands of Molokai and Maui.

Your Committee received testimony in support of this measure from the Department of Transportation and two individuals.

Your Committee finds that Sea Link, which previously operated with state subsidies and was regulated by the Public Utilities Commission, began providing regular ferry service between Kaunakakai, Molokai, and Lahaina, Maui, in 1987, serving as a critical and essential lifeline for Molokai residents. The state-subsidized ferry service served as a convenient way for Molokai residents to travel to and from employment on West Maui and served as an affordable alternative to air travel. However, the State ended subsidies to the ferry service in 1996, and ridership declined in the face of competition from federally subsidized commuter air travel.

Your Committee further finds that a renewed ferry service between the Islands of Molokai and Maui would provide a practical, cost-effective way for residents, visitors, and workers to travel between the two islands, and provide a safe way for those with disabilities to travel interisland.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 47, and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1617 Transportation and Energy on H.C.R. No. 67

The purpose and intent of this measure is to request the Department of Transportation to construct a roundabout at the intersection of Kamehameha Highway and Kahekili Highway in Kahalu'u on the Island of Oahu.

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 Transportation.

Your Committee finds that in its current state, the intersection of Kamehameha Highway and Kahekili Highway poses a danger to drivers and pedestrians. Residents of the windward side of Oahu stretching from Kane'ohe to Kahalu'u and even to La'ie have complained for years about the traffic congestion on Kahekili Highway. Studies have found that a type of intersection known as a roundabout can increase traffic safety, increase traffic capacity of a roadway, and decrease commute times.

As affirmed by the record of votes of the members of your Committee on Transportation and Energy that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 67, and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1618 Human Services on H.C.R. No. 65

The purpose and intent of this measure is to urge the Department of Human Services to adopt rules and take all actions necessary, as permitted by federal law, to disregard the Social Security Title II benefit or any increase in that benefit that makes an individual ineligible for supplemental security income and Medicaid.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities and The Arc in Hawaii. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that many individuals with disabilities who have extremely low income rely on federal supplemental security income (SSI) for living expenses, but SSI alone is grossly insufficient to pay for the cost of the residential and health care services that individuals may need. Although Hawaii law authorizes a state payment supplemental to SSI for residents of certain care facilities, individuals with disabilities who have extremely low income and rely on SSI and a state payment supplemental to SSI also rely on the State's Medicaid program for medical care and home and community based services to maintain a healthy and productive life in the community.

Your Committee further finds that when a Medicaid recipient's total income exceeds the Medicaid income qualification standard, in order to retain eligibility for Medicaid, the individual must spend down all of the recipient's income until the recipient's retained income equals an arbitrary "medically needy" standard, which is the only amount the individual retains for expenses. In some cases, the cause of the individual's income exceeding the Medicaid income qualification standard is the receipt of disabled adult child benefits, which is Social Security disability income under Title II of the Social Security Act on the basis of blindness or disability that began before the individual attained the age of twenty-two. While federal law requires or permits states to disregard Social Security Act Title II benefit amounts or increases thereof to the extent that those amounts result in loss of Medicaid eligibility for four different groups of individuals, urging the Department of Human Services to adopt rules to implement these income disregards for all groups, including the group of recipients of disabled adult child benefits, will ensure that individuals with developmental disabilities who are dependent adult children will not lose support 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 concurs with the intent and purpose of H.C.R. No. 65, and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1619 Human Services on H.C.R. No. 7

The purpose and intent of this measure is to urge the Department of Human Services to examine the application process for the Preschool Open Doors Program to ensure accessibility for all who qualify.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the Preschool Open Doors Program is a child care subsidy program through the Department of Human Services that provides statewide services to eligible low- and moderate-income families sending their children to licensed preschools prior to kindergarten. Because the application process for the Preschool Open Doors Program does not allow applications to be submitted electronically, some families are unable to apply for the program. Considering paperless or other cost-free application processes for the Preschool Open Doors Program will ensure that accessibility to the program can be reached by all who qualify.

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. 7, H.D. 1, and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).

SCRep. 1620 (Joint) Human Services and Commerce, Consumer Protection, and Health on H.C.R. No. 161

The purpose and intent of this measure is to request the Med-QUEST Administrator to convene a working group to evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues and to consider solutions that include incentive or add-on payments to encourage their transfer out of hospitals and into more appropriate settings.

Your Committees received testimony in support of this measure from The Queen's Health Systems, Kaiser Permanente Hawaii, Healthcare Association of Hawaii, and Hawai'i Pacific Health. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that waitlisted patients are hospitalized individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides but who cannot be transferred to a long-term care facility because of a complex medical or behavioral health need that requires more intensive services. The intensive services needed by these patients are often too costly for long-term care facilities to provide because of the wide gap between cost of care and the reimbursement received from Medicaid, so patients remain in the hospital for many weeks or months after the appropriate date of discharge from an acute-level facility. Since long-term care facilities lack a financial incentive to assume care of individuals with complex medical issues, the reluctance of long-term care facilities to take on these patients after hospital discharge will likely worsen since the level of reimbursement will increasingly fall short of the cost of providing needed services. Therefore, it is critical to further examine this issue by considering incentives or add-on payments to the long-term care Medicaid base rate for patients with complex medical needs.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce, Consumer Protection, and Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 161, and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Human Services: Ayes, 3. Noes, none. Excused, 2 (Tokuda, Wakai).
Commerce, Consumer Protection, and Health: Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Kidani).

SCRep. 1621 (Joint) Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 197

The purpose and intent of this measure is to urge the Department of Transportation, in conjunction with the Department of Transportation Services, Department of Emergency Management of the City and County of Honolulu, and the Honolulu Police Department, to conduct an analysis of the roads in the Waianae Coast Emergency Access Road System.

Your Committees received testimony in support of this measure from The Maritime Group; Ho‘omana Pono, LLC; and six individuals.

Your Committees find that Farrington Highway has experienced lane closures or complete shutdowns on numerous occasions due to traffic accidents, severe weather, and other emergency conditions. In a coordinated effort between numerous departments and agencies, plans have been put in place to use existing roads as an emergency access and bypass route into the Waianae area during emergency highway closures or other emergency situations.

Your Committees further find that the Waianae Coast Emergency Access Road System consists of gated roads that are under the jurisdiction of the Department of Emergency Management of the City and County of Honolulu and can be opened when it is deemed necessary or when requested by the Honolulu Police Department. However, while use of the Waianae Coast Emergency Access Road System has provided needed relief during recent emergency situations, issues regarding the timely opening of these roads still remain. Your Committees believe that there is a critical need for an alternate route to the Waianae Coast to alleviate traffic congestion, particularly for emergency vehicles.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 197, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1622 Economic Development, Tourism, and Technology on Gov. Msg. No. 783

Recommending that the Senate advise and consent to the nomination of the following:

COMMUNITY-BASED ECONOMIC DEVELOPMENT ADVISORY COUNCIL

GM. No. 783 RACHEL JAMES, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Ms. Rachel James to possess the requisite qualifications to be nominated to the Community-Based Economic Development Advisory Council.

Your Committee received testimony in support of the nomination for the appointment of Ms. James from the Department of Business, Economic Development, and Tourism; and three individuals.

Ms. James is the Project Manager for the Hawaii Center for Advanced Transportation Technologies, where she coordinates with community stakeholders to encourage collaborative project development and communicates with contractors to ensure timeliness of project completion, reimbursement, and compliance. Previously, Ms. James served as a member of the District Office team for Congresswoman Tulsi Gabbard. She also worked as a Housing Specialist and Intake Specialist for Catholic Charities Hawaii Supportive Services for Veteran Families Program. Ms. James earned her Juris Doctorate from the William S. Richardson School of Law at the University of Hawaii at Manoa. Ms. James is active in community and civic organizations including as a Board member, Team Lead, and Outreach Coordinator of Kuleana Microlending, and as a member of the Armed Forces Communications and Electronic Association and the Patsy Mink Center for Business and Leadership Advisory Board. Your Committee finds that Ms. James' professional experience and extensive service to the community will be assets to the Community-Based Economic Development Advisory Council.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 1623 Economic Development, Tourism, and Technology on Gov. Msg. Nos. 763, 764, 765, and 766

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII STRATEGIC DEVELOPMENT CORPORATION

GM. No. 763 MICHAEL O'MALLEY, for a term to expire 06-30-2019;

GM. No. 764 ANN CHUNG, for a term to expire 06-30-2021;

GM. No. 765 CRAIG NAKANISHI, for a term to expire 06-30-2021; and

GM. No. 766 MARK TSUDA, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mr. Michael O'Malley, Ms. Ann Chung, Mr. Craig Nakanishi, and Mr. Mark Tsuda to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Strategic Development Corporation.

MICHAEL O'MALLEY

Your Committee received testimony in support of the nomination for the appointment of Mr. Michael O'Malley from the Hawaii Strategic Development Corporation, SanHi Government Strategies, and one individual.

Mr. O'Malley is an attorney practicing civil litigation at Goodill Anderson Quinn & Stifel. He received a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree from Claremont-McKenna College. In his legal practice, Mr. O'Malley represents for profit, nonprofit and health care clients in their initial organization and structuring, business dealings, infrastructure, capital and other financings, regulatory compliance, tax planning and proceedings before tax authorities, and addressing issues of corporate governance and fiduciary duty. Mr. O'Malley is also an active member of numerous professional and civic activities including the American Bar Association, American Health Lawyers Association, and Healthcare Association of Hawaii, and is the Chair of the Kapiolani Health Foundation and Hawaii Dental Service. Your Committee finds that Mr. O'Malley's professional background, legal knowledge, and commitment to public engagement, especially his involvement with start-up mentorship through Hawaii Business and Entrepreneur Acceleration Mentors, will be assets to the Hawaii Strategic Development Corporation.

ANN CHUNG

Your Committee received testimony in support of the nomination for the reappointment of Ms. Ann Chung from the High Technology Development Corporation, Hawaii Strategic Development Corporation, Chamber of Commerce Hawaii, Maritime Group, and nine individuals.

Ms. Chung is the Director of Special Projects at Navatek Ltd. She has previously served as the Director of Economic Development with the Office of the Mayor of the City and County of Honolulu. Prior to her service at the Office of the Mayor, she was the Vice President of the Hawaii Science & Technology Council and the Executive Director of the Hawaii Technology Trade Association. Ms. Chung is also an active member on community boards, including serving as a board member of the Honolulu Festival Foundation and Hawaii Medical Service Association Board, as well as a member of the Education Committee of the Chamber of Commerce Hawaii. Ms. Chung has served on the Board of Directors of the Hawaii Strategic Development Corporation since 2015. Your Committee finds that Ms. Chung's leadership experience, government service, and vast community service will greatly contribute to the Hawaii Strategic Development Corporation.

CRAIG NAKANISHI

Your Committee received testimony in support of the nomination for the reappointment of Mr. Craig Nakanishi from the High Technology Development Corporation, Hawaii Strategic Development Corporation, and two individuals.

Mr. Nakanishi is an attorney and partner with Cades Schutte LLP, where he chairs the energy and public utilities practice area. Prior to working at Cades Schutte, he was an attorney and partner for twelve years at Rush Moore LLP, where he concentrated in the areas of energy, public utilities, and business and real property transactions. Mr. Nakanishi is licensed to practice in Hawaii and California and has been named in the annual Best Lawyers in America - Energy since 2008. He is a graduate of the University of Hawaii and holds a Juris Doctorate from the University of California at Davis. Mr. Nakanishi is a current member of the Board of Directors of the Hawaii Strategic Development Corporation and served for nearly eight years on the Board of Directors of the High Technology Development Corporation. Together, these experiences provided Mr. Nakanishi with insights into the programmatic support and capital funding needs for innovation, economic growth, and job creation in Hawaii. Your Committee finds that Mr. Nakanishi's professional experience and prior involvement with innovation and economic growth in Hawaii will be assets to the Hawaii Strategic Development Corporation.

MARK TSUDA

Your Committee received testimony in support of the nomination for the appointment of Mr. Mark Tsuda from the Hawaii Strategic Development Corporation.

Mr. Tsuda is the Chief Executive Officer at Jams World/Surf Line Hawaii Ltd. Previously, he served as the Vice President of Spa Operations at The Blackstone Group, the Regional Vice President of Sales and Marketing at Mandara Spa LLC, and the Area Director of Sales and Marketing at Aston Hotels & Resorts. He received his Bachelors of Business Administration and Travel Industry Management from the University of Hawaii at Manoa. Mr. Tsuda indicates in his personal statement that, as a Board member of the Hawaii Strategic Development Corporation, he would like to help create awareness of opportunities for start-ups and investors within Hawaii and facilitate development of these start-ups in cooperation with private investment. Your Committee finds that Mr. Tsuda's professional and managerial experience will contribute to the Hawaii Strategic Development Corporation.

As affirmed by the records of votes of the members of your Committee on Economic Development, Tourism, and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

SCRep. 1624 Human Services on Gov. Msg. Nos. 735, 736, 737, 738, and 739

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

- G.M. No. 735 DEBORAH KOBAYAKAWA, for a term to expire 06-30-2019;
 G.M. No. 736 SCOTT NISHIMOTO, for a term to expire 06-30-2021;
 G.M. No. 737 CHRISTINA PASCUA, for a term to expire 06-30-2019;
 G.M. No. 738 DIANE TERADA, for a term to expire 06-30-2020; and
 G.M. No. 739 CHRISTINA TYDEMAN, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and personal statements submitted by the nominees and finds Deborah Kobayakawa, Scott Nishimoto, Christina Pascua, Diane Terada, and Christina Tydeman to possess the requisite qualifications to be nominated to the State Rehabilitation Council.

DEBORAH KOBAYAKAWA

Your Committee received testimony in support of Deborah Kobayakawa from one individual.

Your Committee finds that Ms. Kobayakawa's professional and personal experiences also qualify her to serve on the State Rehabilitation Council. Ms. Kobayakawa is presently employed at Heart to Heart Parent Consulting and Goodwill Industries of Hawaii. She has also been employed at the Learning Disabilities Association of Hawaii, Queen Lili'uokalani School, Heeia Elementary School, and Holualoa Elementary School. Your Committee notes that Ms. Kobayakawa is active in the community as a Parent Volunteer for the Learning Disabilities Association of Hawaii, Member of the Windward Community Children's Council, and Special Olympics Hawaii Windward Area Ohana Task Force Coordinator. Ms. Kobayakawa indicated in her personal statement that, if appointed, she hopes to collaborate with other state agencies that support the disability community to identify some of the obstacles and challenges that individuals with disabilities face when seeking employment. Your Committee therefore recommends that Ms. Kobayakawa be appointed to the State Rehabilitation Council based on her professional experience and willingness to serve the community.

SCOTT NISHIMOTO

Your Committee received testimony in support of Scott Nishimoto from one individual.

Your Committee finds that Mr. Nishimoto's professional experience qualifies him to serve on the State Rehabilitation Council. Mr. Nishimoto is presently the Vice President of Workforce Development and Community Relations for Abilities Unlimited, which focuses on providing community-based services for individuals with disabilities. His duties include managing various programs, engaging the community in supporting individuals with disabilities, and partnering with various for-profit and non-profit organizations. Mr. Nishimoto received a Juris Doctorate from the William S. Richardson School of Law and a Bachelor of Arts in English at the University of Hawaii at Manoa. Upon review of the testimony, Mr. Nishimoto demonstrates his high vested interest in ensuring the betterment of those in the community around him through his involvement in various community service organizations. Your Committee therefore recommends Mr. Nishimoto be appointed to the State Rehabilitation Council based on his professional experience and dedication to public service.

CHRISTINA PASCUA

Your Committee received no testimony on this nominee.

Your Committee finds that Ms. Pascua's professional background in education qualifies her to serve on the State Rehabilitation Council. Ms. Pascua is presently a Care Coordinator at Kapolei High School, where she, among other things, reviews, renews, and creates individualized educational plans and conducts individualized educational plan meetings annually for every student on caseload. In the past, Ms. Pascua served as a Transition Coordinator at Kapolei High School and Employment/Education Counselor and Direct Support Worker for Winners at Work. Ms. Pascua is active in the community as a motivational speaker at various school, company, and organization events. Your Committee therefore recommends Ms. Pascua be appointed to the State Rehabilitation Council based on her passion as an educator and commitment to serving the community.

DIANE TERADA

Your Committee received testimony in support of Diane Terada from Catholic Charities Hawai'i.

Your Committee finds that Ms. Terada's knowledge on the needs and strengths of elders and persons with disabilities also qualify her to serve on the State Rehabilitation Council. Ms. Terada is presently the Division Administrator at Catholic Charities Hawai'i, overseeing the Community and Senior Services Division. She has also served as the Executive Director at Hawaii Meals on Wheels, Inc., and Program Director at Catholic Charities Hawai'i. Ms. Terada earned a Master of Social Work and Bachelor of Science from the University of Hawaii at Manoa, and is a licensed social worker in the State. Ms. Terada is active in the community as she serves on the No Wrong Door Advisory Committee and is a member of the National Association of Social Workers and Academy of Certified Social Workers. Your Committee therefore recommends Ms. Terada be appointed to the State Rehabilitation Council based on her professional expertise, as well as her willingness to serve the community.

CHRISTINA TYDEMAN

Your Committee received no testimony on this nominee.

Your Committee finds that Dr. Tydeman's experience as an educator working with students with a variety of special needs qualifies her to serve on the State Rehabilitation Council. Dr. Tydeman is presently the Director of the Department of Education's Monitoring, Accountability, and Compliance Office, where, among other duties, she serves as the State Director of Special Education. In the past, Dr. Tydeman served as the Associate Dean of Accreditation for the School of Education and Counseling Psychology and Director of the teacher preparation program at Dominican University of California. Dr. Tydeman earned a Doctor of Philosophy in Educational

Psychology from the University of Hawaii, a Master of Science in Curriculum and Instruction from Dominican College, and a Bachelor of Arts in Speech and Drama from California State University, Chino. Your Committee therefore recommends Dr. Tydeman be appointed to the State Rehabilitation Council based on her professional background as an educator, as well as her demonstration of leadership and organizational managements skills.

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 (Tokuda, Wakai).

SCRep. 1625 Agriculture and Environment on Gov. Msg. Nos. 767 and 768

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 767 SANDRA KLUTKE, for a term to expire 06-30-2021; and

G.M. No. 768 DOUGLAS SCHENK, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Sandra Klutke and Douglas Schenk to possess the requisite qualifications to be nominated for reappointment to the Board of Directors of the Agribusiness Development Corporation.

SANDRA KLUTKE

Your Committee received testimony in support of the nomination for the reappointment of Ms. Sandra Klutke from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Agriculture Research Center; Maui County Farm Bureau; Hawaii Crop Improvement Association; Hawaii Cattlemen's Council, Inc.; Hawaii Coffee Association; Hawai'i Farm Bureau; Ponoholo Ranch, Limited; and seventeen individuals.

Upon review of the testimony, your Committee finds that Ms. Klutke's professional experience and background in the hospitality industry and as an agriculture advocate also qualify her to be nominated for reappointment to the Board of Directors of the Agribusiness Development Corporation. Your Committee notes that Ms. Klutke is the owner of Ti Leaf & Taro, which produces specialty agricultural products for sale at the Kauai Farm Bureau Farmers' Markets, and the former General Manager of Aston Islander on the Beach and ResortQuest at Poipu Kai. She serves on the Hawaii Lodging & Tourism Association, Kauai Chamber of Commerce, and Kauai Farm Bureau, and has served on the Board of Directors of the Agribusiness Development Corporation for the past four years. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Klutke will continue to be an asset to the Board of Directors of the Agribusiness Development Corporation.

DOUGLAS SCHENK

Your Committee received testimony in support of the nomination for the reappointment of Mr. Douglas Schenk from the Department of Agriculture; Agribusiness Development Corporation; Hawaii Agriculture Research Center; Hawaii Cattlemen's Council, Inc.; Hawaii Coffee Association; Maui County Farm Bureau; Hawai'i Farm Bureau; Ponoholo Ranch, Limited; and four individuals.

Upon review of the testimony, your Committee finds that Mr. Schenk's professional experience and background in the pineapple industry also qualify him to be nominated for reappointment to the Board of Directors of the Agribusiness Development Corporation. Your Committee notes that Mr. Schenk is a Partner in the Hali'imaile Pineapple Company, Limited and previously worked for Maui Land and Pineapple Company, Inc., for several decades. He serves on the Board of Directors of the Maui Federal Credit Union and has served on the Board of Directors of the Agribusiness Development Corporation for the past four years. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Schenk will continue to be an asset to the Board of Directors of the Agribusiness Development Corporation.

As affirmed by the records of votes of the members of your Committee on Agriculture 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 (Nishihara, Ruderman).

SCRep. 1626 Agriculture and Environment on Gov. Msg. Nos. 810, 811, and 812

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF AGRICULTURE

G.M. No. 810 VINCENT MINA, for a term to expire 06-30-2020;

G.M. No. 811 RANDOLPH CABRAL, for a term to expire 06-30-2021; and

G.M. No. 812 GLENN HONG, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Vincent Mina, Randolph Cabral, and Glenn Hong to possess the requisite qualifications to be nominated to the Board of Agriculture.

VINCENT MINA

Your Committee received testimony in support of the nomination for the appointment of Vincent Mina from the Department of Agriculture; National Farmers Union; Hawai'i Farm Bureau; Hawaii Island School Garden Network, The Kohala Center; Ulupono Initiative; Kipahulu Ohana, Inc.; Down to Earth Organic & Natural; TOTUS; Smart Tax Solutions LLC; and five individuals.

Upon review of the testimony, your Committee finds that Mr. Mina's experience and background in commercial farming also qualify him to be nominated for appointment to the Board of Agriculture. Your Committee notes that Mr. Mina is the co-owner and co-founder of Kahanu 'Āina Greens LLC, a small local farm that produces five hundred pounds of baby greens a week, serves as the President of Hawaii Farmers Union United, and chairs the National Farmers Union Committee on Renewable Agriculture and Local Foods. He is experienced in soil remediation techniques and uses a whole-system approach to agriculture. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Mina will be an asset to the Board of Agriculture.

RANDOLPH CABRAL

Your Committee received testimony in support of the nomination for the appointment of Randolph Cabral from the Department of Agriculture; Hawaii Agriculture Research Center; Ulupono Initiative; Hawaii Coffee Association; Hawai'i Farm Bureau; Hawaii Cattlemen's Council, Inc.; Maui County Farm Bureau; Hawaii Crop Improvement Association; PonoHolo Ranch, Limited; and fifty individuals.

Upon review of the testimony, your Committee finds that Mr. Cabral's professional experience and background in orchard and vegetable crop, sugar, and livestock production also qualify him to be nominated for appointment to the Board of Agriculture. Your Committee notes that Mr. Cabral recently retired from the role of Senior Vice-President of Royal Hawaiian Orchards, currently operates a small ranch on the Big Island, and serves as the President of the Hawai'i Farm Bureau. He also serves as a member of the Agricultural Leadership Foundation of Hawai'i, Hawaii Macadamia Nut Association, Hawaii Cattlemen's Association, and is a founding member of Kino'ole Farmers Market. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Cabral will be an asset to the Board of Agriculture.

GLENN HONG

Your Committee received testimony in support of the nomination for the reappointment of Glenn Hong from the Department of Agriculture; Hawaii Agriculture Research Center; Hawaii Cattlemen's Council, Inc.; Hawaii Coffee Association; Hawai'i Farm Bureau; Maui County Farm Bureau; The Maritime Group, LLC; PonoHolo Ranch, Limited; and fourteen individuals.

Upon review of the testimony, your Committee finds that Mr. Hong's professional experience and background in inter-island shipping and transportation also qualify him to be nominated for reappointment to the Board of Agriculture. Your Committee notes that Mr. Hong is the President of Hawaiian Tug & Barge and Young Brothers, Limited, an inter-island cargo common carrier. He serves as Chair of the Hawaii Harbors Users Group, Board Member of the American Red Cross-Hawaii State Chapter, member of the Hawaii Business Roundtable and The 200 Club of Honolulu, and member-at-large on the Board of Agriculture. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Hong will continue to be an asset to the Board of Agriculture.

As affirmed by the records of votes of the members of your Committee on Agriculture 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 (Nishihara, Ruderman).

SCRep. 1627 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 689 and 690

Recommending that the Senate advise and consent to the nominations of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 689 DARRYL KOMO, for a term to expire 06-30-2021; and

G.M. No. 690 CARLETON WILLIAMS, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Darryl Komo and Carleton Williams to possess the requisite qualifications to be nominated for reappointment to the State Board of Public Accountancy.

DARRYL KOMO

Your Committee received testimony in support of the nomination for the reappointment of Darryl Komo from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Mr. Komo's background, knowledge, and proven leadership on the State Board of Public Accountancy also qualify him to be nominated for reappointment to the State Board of Public Accountancy as a licensed and actively practicing Certified Public Accountant member. Your Committee notes that Mr. Komo has been licensed as a Certified Public Accountant in Hawaii since 1977 and is a Principal at Robert H.Y. Leong & Company, CPAs, Inc., where he has worked for over thirty years. Mr. Komo is also extremely active within his profession and has held various leadership positions in the Hawaii Association of Public Accountants and Hawaii Society of Certified Public Accountants. Your Committee further finds that Mr. Komo has been a member of the State Board of Public Accountancy since September 2013 and currently serves as the Board's Vice-Chairperson, where the insights he has gained from his years of experience in certified public accounting continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Komo be reappointed to the State Board of Public Accountancy based on his experience, knowledge, and commitment to public service.

CARLETON WILLIAMS

Your Committee received testimony in support of the nomination for the reappointment of Carleton Williams from the Department of Commerce and Consumer Affairs, Board of Directors of the Hawaii Society of Certified Public Accountants, The Salvation Army Hawaiian & Pacific Islands Division, Pineapple Tweed Public Relations & Marketing, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Williams' knowledge, background, and proven leadership on the State Board of Public Accountancy also qualify him to be nominated for reappointment to the State Board of Public Accountancy as a licensed and actively practicing Certified Public Accountant member. Your Committee notes that Mr. Williams has been licensed as a Certified Public Accountant in Hawaii since 1977 and is the Founding Partner of CW Associates – A Hawaii Certified Public Accounting Corporation. Mr. Williams also serves as a member of the Accounting Advisory Committees at the University of Hawai'i Shidler College of Business and Kapi'olani Community College and has held leadership positions in a variety of organizations, including the Hawaii Society of Certified Public Accountants, The Pacific Club, and The Salvation Army Honolulu Advisory Board. Your Committee further finds that Mr. Williams has served on the State Board of Public Accountancy since 2013 and his professional expertise continues to be invaluable to the deliberations of the Board. Your Committee therefore recommends that Mr. Williams be reappointed to the State Board of Public Accountancy 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, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1628 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 699 and 700

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMISSION

- G.M. No. 699 ELIZABETH CHAR, for a term to expire 06-30-2021; and
G.M. No. 700 ALAN KIMURA, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Elizabeth Char and Alan Kimura to possess the requisite qualifications to be nominated for reappointment to the Emergency Medical Services Advisory Commission.

ELIZABETH CHAR

Your Committee received testimony in support of the nomination for the reappointment of Elizabeth Char from the Department of Health, American Medical Response, and three individuals.

Dr. Char is currently a physician with The Queen's Health Care Centers, Medical Director for American Medical Response Hawaii, and Medical Director for the Honolulu and Kauai Fire Departments. Your Committee finds that Dr. Char has twenty years of experience as an emergency physician and has focused her career on pre-hospital emergency care. Dr. Char previously 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. Your Committee notes that Dr. Char is involved in numerous community activities, serving as Chair of the Oahu Board of Directors of the American Heart Association and as a member of the Hawaii Stroke Task Force and Hawaii Trauma Advisory Committee. Dr. Char is the current Chair of the Emergency Medical Services Advisory Commission and has been a member since 2012. Your Committee finds that Dr. Char's extensive experience in emergency medicine, efforts to make the Commission interactive and collaborative, and deep commitment to public service qualify her for reappointment to the Commission.

ALAN KIMURA

Your Committee received testimony in support of the nomination for the reappointment of Alan Kimura from the Department of Health, American Medical Response, and one individual.

Mr. Kimura previously served the State Health Planning and Development Agency for eight years. In his personal statement, Mr. Kimura indicated that he hopes to educate consumers about changes and new procedures because the medical field is always evolving. Your Committee finds that Mr. Kimura is an active member of his community, serving as a coach for a multitude of sports for ten years. Your Committee notes that Mr. Kimura has served as a member of the Emergency Medical Services Advisory Commission since 2012 and has a thorough understanding of the role and responsibilities of commission members. Your Committee finds that Mr. Kimura's knowledge, experience, and community involvement qualify him for reappointment to the Commission.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1629 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 701 and 702

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF CERTIFICATION OF PUBLIC WATER SYSTEM OPERATORS

G.M. No. 701 MARK PRESCOTT, for a term to expire 06-30-2020; and

G.M. No. 702 JODI YAMAMI, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mark Prescott and Jodi Yamami to possess the requisite qualifications to be nominated for appointment to the Board of Certification of Public Water System Operators.

MARK PRESCOTT

Your Committee received testimony in support of the nomination for the appointment of Mark Prescott from the Department of Health, Pūlama Lānaʻi, and one individual.

Mr. Prescott is presently the owner and operator of the Hawaiian Beaches Water Company's small water system on the Island of Hawaii. Your Committee finds that Mr. Prescott has over eleven years of experience in the drinking water industry and has managed numerous major water system improvements that included a new well installation, meter retrofit program, back-up generator installation, and reservoir replacement. In addition, Mr. Prescott is certified as a Distribution System Operator and Water Treatment Plan Operator and is the Operator in Responsible Charge for two water systems. Your Committee further finds that Mr. Prescott is familiar with the daily operations of water systems at all levels, from basic repairs to compliance sampling. Your Committee notes that Mr. Prescott is active in his community as a volunteer soccer coach for multiple soccer clubs. In his personal statement, Mr. Prescott indicated that he hopes to ensure that only qualified applicants become certified to safely operate public water systems. Your Committee finds that Mr. Prescott's background, professional expertise, and community involvement will be very beneficial to the Board.

JODI YAMAMI

Your Committee received testimony in support of the nomination for the appointment of Jodi Yamami from the Department of Health and two individuals.

Ms. Yamami is currently an Engineer with the Department of Health's Safe Drinking Water Branch, a role in which she is responsible for the implementation and administration of the drinking water treatment plant operator and distribution system operator certification programs. Your Committee finds that Ms. Yamami has over twenty years of professional experience as an engineer and has gained much experience working with operators by renewing certifications, providing technical assistance, developing and conducting training, and many other critical services related to the operation of public water systems. In her personal statement, Ms. Yamami indicated that she hopes to ensure that only capable and responsible operators become certified in Hawaii to safeguard the community's water systems. Your Committee notes that Ms. Yamami has served two previous terms as a member of the Board of Certification of Public Water System Operators and has a thorough understanding of the role and responsibilities of board members. Your Committee finds that Ms. Yamami's professional experience, knowledge, and previous service on the Board will be great assets to the Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1630 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 704 and 706

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PHARMACY

G.M. No. 704 KENNETH VANDENBUSSCHE, for a term to expire 06-30-2021; and

G.M. No. 706 MARY JO KEEFE, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kenneth VandenBussche and Mary Jo Keefe to possess the requisite qualifications to be nominated to the Board of Pharmacy.

KENNETH VANDENBUSSCHE

Your Committee received testimony in support of the nomination for the appointment of Kenneth VandenBussche from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Mr. VandenBussche's knowledge, experience, and commitment to public service qualify him to be nominated for appointment to the Board of Pharmacy as a licensee member representing Kauai County. Your Committee notes that Mr. VandenBussche has been a licensed pharmacist in Hawaii for over twenty years, has managed pharmacy operations for a number of large providers on Kauai, and is currently the Pharmacy Manager for Costco Wholesale's Lihue, Kauai, location. Mr. VandenBussche is also a Board Certified Ambulatory Care Pharmacist with prior experience as a consultant pharmacist and in long-term care and inpatient pharmacy settings. Your Committee further finds that Mr. VandenBussche has a thorough understanding of the role and responsibilities of board members and his professional experience as a large operations manager and customer service leader will be an asset to the workings of the Board of Pharmacy. Your Committee therefore recommends that Mr. VandenBussche be appointed to the Board of Pharmacy based on his experience, background, and dedication to serving his community.

MARY JO KEEFE

Your Committee received testimony in support of the nomination for the reappointment of Mary Jo Keefe from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Ms. Keefe's background, knowledge, and proven leadership on the Board of Pharmacy qualify her to be nominated for reappointment to the Board of Pharmacy as a licensee member representing Maui County. Your Committee notes that Ms. Keefe has been a registered pharmacist for over forty years and is currently a Staff Pharmacist at PharMerica/Wailuku, a pharmacy that primarily serves long-term care facilities and skilled nursing facilities. Ms. Keefe also has extensive experience in the retail and long-term care pharmacy practice settings and is experienced in sterile and non-sterile pharmacy compounding. Your Committee further finds that Ms. Keefe has been a member of the Board of Pharmacy since July 2013 and represents the Board at various conferences and annual meetings of the National Association of Boards of Pharmacy, and her extensive professional experience continues to enhance the effectiveness of the Board. Your Committee therefore recommends that Ms. Keefe be reappointed to the Board of Pharmacy based on her experience, background, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1631 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 585, 586, 587, 588, 589, and 590

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

- G.M. No. 585 CODY BONILLA, for a term to expire 06-30-2019;
- G.M. No. 586 ERIC ISHIDA, for a term to expire 06-30-2020;
- G.M. No. 587 GERALD WRIGHT, for a term to expire 06-30-2020;
- G.M. No. 588 JOSEPH HEW, for a term to expire 06-30-2020;
- G.M. No. 589 KARLSON PUNG, for a term to expire 06-30-2019; and
- G.M. No. 590 MICHAEL HAYASHI, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Cody Bonilla, Eric Ishida, Gerald Wright, Joseph Hew, Karlson Pung, and Michael Hayashi to possess the requisite qualifications to be nominated to the Emergency Medical Services Advisory Committee.

CODY BONILLA

Your Committee received testimony in support of the nomination of Cody Bonilla for reappointment from the Department of Health and two individuals.

Mr. Bonilla currently serves as a Mobile Intensive Care Technician and Injury Prevention Coordinator for American Medical Response. In his role as a Mobile Intensive Care Technician, Mr. Bonilla provides competent medical attention for the County of Kauai in various situations, including medical emergencies, controlled medical transports, medical standbys, and community events. Your Committee finds that Mr. Bonilla is an active community member and is former Vice President and former President of the Kauai Paramedic Association. Additionally, Mr. Bonilla volunteers with assisting youth sports leagues. Your Committee notes that Mr. Bonilla has served on the Emergency Medical Services Advisory Committee since 2014 and has a thorough understanding of the role and responsibilities of committee members. Your Committee finds that Mr. Bonilla's professional leadership, paramedic experience, and community service qualify him for reappointment to the Committee.

ERIC ISHIDA

Your Committee received testimony in support of the nomination of Eric Ishida for reappointment from the Department of Health and two individuals.

Mr. Ishida currently works for American Medical Response as a Mobile Intensive Care Technician and Ambulance Station Supervisor. Your Committee finds that Mr. Ishida has thirty-two years of experience working as an emergency medical services provider, including roles as an emergency medical technician, paramedic, air ambulance medic, and emergency room registered nurse. In his personal statement, Mr. Ishida indicated that he hopes to expand the use of community paramedicine in Hawaii to help reduce the number of emergency room visits and 911 calls. Your Committee notes that Mr. Ishida has served on the Emergency Medical Services Advisory Committee since 2012 and has a thorough understanding of the role and responsibilities of committee members. Your Committee finds that Mr. Ishida's knowledge, emergency medical services experience, and role as a resident of the County of Kauai qualify him for reappointment to the Committee.

GERALD WRIGHT

Your Committee received testimony in support of the nomination of Gerald Wright for appointment from the Department of Health and two individuals.

Mr. Wright presently works for American Medical Response as a Mobile Intensive Care Technician and Operations Team Leader at the Hana ambulance station. Your Committee finds that Mr. Wright has over twenty-five years of experience with the Maui and Hawaii emergency medical services community, including work with the Hana Medical Center, Hawaii Air Ambulance as a flight medic, and American Medical Response as a county Safety Officer. Your Committee notes that Mr. Wright served as President of the Maui County Paramedics Association for two years and has experience as a contract negotiator and teacher. In his personal statement, Mr. Wright indicated that he hopes to improve aeromedical services and the communications systems that affect emergency medical services, particularly in rural areas. Your Committee finds that Mr. Wright's experience, skills, and familiarity with emergency medical services on Maui will greatly benefit the Committee.

JOSEPH HEW

Your Committee received testimony in support of the nomination of Joseph Hew for appointment from the Department of Health and three individuals.

Dr. Hew is a retired gastroenterologist and long-time resident of Maui. According to testimony, Dr. Hew is very knowledgeable about Hawaii's unique medical needs. Your Committee finds that Dr. Hew has been an active member in the medical community and has served on various committees to address issues including quality of care, fraud and abuse, accreditation, and utilization of hospital resources. Your Committee notes that Dr. Hew was closely involved with improving communications, response time, and gastroenterology emergency services at Maui Memorial Medical Center. In his personal statement, Dr. Hew indicated that he hopes to advance the scope, quality, and accessibility of emergency medical services in Hawaii, particularly in case of a large-scale emergency. Your Committee finds that Dr. Hew's knowledge, leadership experience, and commitment to quality medical care will be assets to the Committee.

KARLSON PUNG

Your Committee received testimony in support of the nomination of Karlson Pung for appointment from the Department of Health and four individuals.

Mr. Pung is currently the Operations Manager for Hawaii County at American Medical Response, where he plays a key role in employee relations and is a liaison between American Medical Response and the Hawaii County Fire Department. Your Committee finds that Mr. Pung has close to twenty-seven years of experience in the emergency medical services industry and has served in a management role for much of that time while still working occasionally in the field as a paramedic. Mr. Pung is an involved community member and has coordinated local disaster response as well as served on the State Health Planning and Development Agency Sub-Area Council Board. Your Committee notes that Mr. Pung was also appointed to the Emergency Medical Services Advisory Committee in 2011 and fully understands the role and responsibilities of committee members. Your Committee finds that Mr. Pung's knowledge of the emergency medical services system in Hawaii, as well as his demonstrated commitment to public service, will be assets to the Committee.

MICHAEL HAYASHI

Your Committee received testimony in support of the nomination of Michael Hayashi for appointment from the Department of Health, Kapi'olani Medical Center for Women and Children, and two individuals.

Dr. Hayashi is the Trauma Medical Director and a Board Certified Surgical Intensivist practicing at The Queen's Medical Center. Your Committee finds that Dr. Hayashi is an established surgeon with experience in acute care, trauma, and critical care. Your Committee notes that Dr. Hayashi serves on the Hawaii Trauma Advisory Council and is actively involved with numerous committees at The Queen's Medical Center as well as the Surgical Residency Program at the University of Hawaii John A. Burns School of Medicine. Dr. Hayashi also volunteers with career programs and health fairs at various local schools, and at the Legislative Health Fair at the Hawaii State Capitol. In his personal statement, Dr. Hayashi indicated that he hopes to provide valuable insight into trauma care and trauma services in Hawaii. Your Committee finds that Dr. Hayashi's medical knowledge, trauma care experience, and dedication to serving the community will be very beneficial to the Committee.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Espero, Ihara, Ruderman).

SCRep. 1632 Commerce, Consumer Protection, and Health on Gov. Msg. No. 639

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL ON MENTAL HEALTH

G.M. No. 639 BEATRICE MARTINEZ, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Beatrice Martinez to possess the requisite qualifications to be nominated to the State Council on Mental Health.

Your Committee received testimony in support of the nomination of Beatrice Martinez from the Department of Health, Hawaii Public Housing Authority, and two individuals.

Ms. Martinez currently serves as a Resident Services Program Specialist for the Hawaii Public Housing Authority and works with the Resident Advisory Board to effect policy changes and advocate for public housing tenants statewide. Your Committee finds that Ms. Martinez has thirteen years of experience working with housing and homeless programs in Hawaii and is familiar with program

development, contract monitoring, and coordinated service delivery. Your Committee notes that Ms. Martinez also worked for many years at the Adult Mental Health Division of the Department of Health and has extensive knowledge of case management and other areas related to the needs of the mental health community. In her personal statement, Ms. Martinez indicated that she hopes to be a voice for individuals with housing challenges, help bridge gaps in mental health services, and have a positive impact on the continuity of care for consumers. Your Committee finds that Ms. Martinez's knowledge, professional experience, and demonstrated commitment to helping underserved communities will be assets to the State Council on Mental Health.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1633 Commerce, Consumer Protection, and Health on Gov. Msg. No. 640

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WINDWARD O'AHU SUBAREA

G.M. No. 640 CHRISTOPHER SIBLEY, for a term to expire 06-30-2020

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 for reappointment to the Health Planning Council, Windward Oahu Subarea.

Your Committee received testimony in support of the nomination of Christopher Sibley for reappointment from the State Health Planning and Development Agency and The Queen's Medical Center.

Mr. Sibley currently serves as the Vice President of Alert Alarm Hawaii and has many years of experience in healthcare finance, policy development, market analysis, rate view, underwriting, and other areas of healthcare management. Previously, Mr. Sibley was the President of the Retina Institute Management Inc., Chief Financial Officer for the Retina Institute of Hawaii, and Business Planning Manager for the Hawaii Medical Service Association. Your Committee finds that Mr. Sibley is very actively engaged in the community, serving as chair of the American Cancer Society Relay for Life, past President and Treasurer of Rotary Club of Honolulu Sunrise, and past President of Friends of Lyon Arboretum. In his personal statement, Mr. Sibley indicated that he hopes to assist the Council with updating the Health Services and Facilities Plan as well as an all payer claims database. Your Committee notes that Mr. Sibley has been serving as a member of the Health Planning Council, Windward Oahu Subarea for many years, including as the current Chair, and has a thorough understanding of the role and responsibilities of council members. Your Committee finds that Mr. Sibley's personal background, professional experience, and demonstrated commitment to public service qualify him for reappointment to the Council.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1634 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 641 and 642

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WEST O'AHU SUBAREA

G.M. No. 641 FREDERICK SHAW, for a term to expire 06-30-2021; and

G.M. No. 642 ANDREW ANCHETA, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Frederick Shaw and Andrew Ancheta to possess the requisite qualifications to be nominated for reappointment to the Health Planning Council, West Oahu Subarea.

FREDERICK SHAW

Your Committee received testimony in support of the nomination of Frederick Shaw for reappointment from the State Health Planning and Development Agency, Kaiser Permanente, and three individuals.

Mr. Shaw currently serves as Senior Analyst of Medical Economics at Kaiser Permanente. Mr. Shaw has over thirty years of experience in healthcare finance, administration, and analytics, and previously worked as a Financial Analyst for Kaiser Permanente as well as in information technology and finance positions at AlohaCare, Hawaii Medical Service Association, and Waianae Coast Comprehensive Health Center. Your Committee notes that Mr. Shaw is an active community member and has held leadership positions in many organizations, especially on the Waianae Coast, including the Waianae Coast Community Mental Health Center, Waianae Coast Coalition for Human Services, Native Hawaiian Health Care Act Oahu Planning Committee, and the Statewide Health Coordinating Council. In his personal statement, Mr. Shaw indicated that he hopes to help provide independent evaluation of certificate of need applications and assist with the health services and facilities plan. Your Committee notes that Mr. Shaw has been serving as a member of the Health Planning Council, West Oahu Subarea since 2014 and also served previously. Your Committee

finds that Mr. Shaw's knowledge, leadership experience, and commitment to public service qualify him for reappointment to the Council.

ANDREW ANCHETA

Your Committee received testimony in support of the nomination of Andrew Ancheta for reappointment from the State Health Planning and Development Agency, Department of Health, and four individuals.

Mr. Ancheta serves as Operations Manager of American Medical Response for Oahu County and is an Emergency Medical Technician. Your Committee notes that Mr. Ancheta has over twenty years of experience in emergency medical services and currently is responsible for overseeing the American Medical Response's Communication Center. Mr. Ancheta has additional healthcare experience, including his previous work as a Clinical Research Coordinator for Radiant Research. Your Committee finds that Mr. Ancheta has demonstrated a dedication to public service, as evidenced by his service on the Statewide Health Coordinating Council and Hawaii Stroke Coalition. Your Committee notes that Mr. Ancheta has served on the Health Planning Council, West Oahu Subarea since 2013 and has a thorough understanding of the role and responsibilities of council members. In his personal statement, Mr. Ancheta indicated that he hopes to be part of the solution to decrease rising healthcare costs in the State. Your Committee finds that Mr. Ancheta's background, emergency medical services experience, and clear commitment to the community qualify him for reappointment to the Council.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1635 Commerce, Consumer Protection, and Health on Gov. Msg. No. 643

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 643 KATHLEEN HAGAN, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kathleen Hagan to possess the requisite qualifications to be nominated for reappointment to the Health Planning Council, Tri-Isle Subarea.

Your Committee received testimony in support of the nomination of Kathleen Hagan for reappointment from the State Health Planning and Development Agency, University of Hawai'i Maui College, and four individuals.

Ms. Hagan is presently an Assistant Professor at the University of Hawaii Maui College, part-time Nurse Practitioner at the University of Hawaii Maui College Campus Health Center, and part-time Nurse for the Tutu & Me Traveling Preschool Program. Ms. Hagan has previous work experience as a Staff Nurse at the Kaiser Permanente Santa Teresa Hospital, Clinical Nurse at the Stanford Hospital, and Senior Consulting Data Analyst at Kaiser Permanente, Division of Research, and was selected as a Ka Ipu Kukui Fellow, an initiative that promotes and develops future leaders through a community-based program to plan for the future of Maui. Your Committee finds that Ms. Hagan is an involved community member, including participation with Health Occupations Students of America, Nurse Residency Program Academic Council, Coalition for a Tobacco Free Hawaii, and Health Center Advisory Board. As indicated in her personal statement, Ms. Hagan hopes to use her experiences as a resident, parent, consumer, educator, and passionate health promoter to improve the healthcare of Hawaii's citizens. Your Committee notes that Ms. Hagan is currently a member of the Health Planning Council, Tri-Isle Subarea and is familiar with the roles and responsibilities of council members. Your Committee finds that Ms. Hagan's professional background, experiences serving individuals at various life stages, and dedication to public service are valuable assets to the Council.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1636 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 644, 645, 646, and 647

Recommending that the Senate advise and consent to the nominations of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 644 BRYANT YABUI, for a term to expire 06-30-2021;

G.M. No. 645 SUMMER KOZAI, for a term to expire 06-30-2021;

G.M. No. 646 PHYLLIS MEIGHEN, for a term to expire 06-30-2018; and

G.M. No. 647 ROSANNA DANIEL-KANETAKE, for a term to expire 06-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Bryant Yabui, Summer Kozai, Phyllis Meighen, and Rosanna Daniel-Kanetake to possess the requisite qualifications to be nominated to the Disability and Communication Access Board.

BRYANT YABUI

Your Committee received testimony in support of the nomination of Bryant Yabui for reappointment from the Disability and Communication Access Board and two individuals.

Mr. Yabui currently works as a Contracting and Procurement Specialist for the Office of Enterprise Technology Services, where he coordinates procurement activities and is involved with program analysis and development of procurement strategies for technical and complex purchases. Your Committee notes that Mr. Yabui was previously an Intake Advocate and Attorney for the Hawaii Disability Rights Center, where he worked with physically, mentally, and developmentally disabled clients. Your Committee finds that Mr. Yabui's past public service includes working with the Volunteer Legal Services of Hawaii, Make-A-Wish Foundation of Hawaii, and Pew Civic Entrepreneur Initiative. In his personal statement, Mr. Yabui indicated that as an individual in a wheelchair, he hopes to improve the disabled parking system in Hawaii. Mr. Yabui is currently an active member of the Disability and Communication Access Board, serving as its Vice Chairperson. Your Committee finds that Mr. Yabui's personal experience, professional history, and commitment to public service qualify him for reappointment to the Board.

SUMMER KOZAI

Your Committee received testimony in support of the nomination of Summer Kozai for reappointment from the Disability and Communication Access Board and four individuals.

Ms. Kozai is presently a Senior Auditor for the United States Department of Defense Contract Audit Agency, a role that requires Ms. Kozai to plan and perform high-dollar and high-risk audits in accordance with federal standards. Your Committee finds that Ms. Kozai previously worked as an Associate at Grant Thornton, LLP, and has experience in leadership as well as public speaking roles. In her personal statement, Ms. Kozai indicated that she hopes to see tangible improvement in access for mobility-challenged persons and increased understanding of the role of service animals in the community. Your Committee notes that Ms. Kozai has served on the Disability and Communication Access Board for the last year and has been providing valuable input on issues relating to service animals. Your Committee finds that Ms. Kozai's experiences as an active member of the community and workforce as a mobility-impaired person with a service animal, as well as her professional background, qualify her for reappointment to the Board.

PHYLLIS MEIGHEN

Your Committee received testimony in support of the nomination of Phyllis Meighen for appointment from the Disability and Communication Access Board.

Dr. Meighen is a Senior Pastor of Lihue United Church on Kauai as well as Director and Clergy for Adult Formation at ReSource for Christian Spirituality. Your Committee finds that Dr. Meighen is the guardian to her disabled brother, who lives in a state adult foster home, and she also has many years of professional experience in the field of disabilities studies. Dr. Meighen founded an organization that improves employment options for individuals with intellectual disabilities, worked for the State Planning Council for Development Disabilities, and taught at the University of Hawaii's Center for Disability Studies. Your Committee notes that Dr. Meighen is dedicated to public service, as evidenced by her membership on the Woman's Board of Missions of the Pacific Islands and Kauai Association UCC, and prior involvement with the Winners at Work Board of Advisors and Family Support 360 Advisory Council at the University of Hawaii's Center for Disability Studies. Your Committee finds that Dr. Meighen's personal and professional experience, as well as her commitment to serving the community, will be valuable assets to the Board.

ROSANNA DANIEL-KANETAKE

Your Committee received testimony in support of the nomination of Rosanna Daniel-Kanetake for appointment from the Disability and Communication Access Board and two individuals.

Ms. Daniel-Kanetake is an Independent Living Service Coordinator for Access to Independence, where she assists consumers with disabilities with becoming independent in the community. Your Committee finds that Ms. Daniel-Kanetake has worked in various human services fields for over twenty years, including the areas of child mental health, homelessness, and child protective services. Your Committee notes that Ms. Daniel-Kanetake is actively involved in the community, as a Board member for Hawaii Fi-Do Service Dogs, participant in Hawaii's Police Department ICE Task Force, member of the Board of Directors for Waimanalo Job Corp, and a certified instructor for crisis prevention and intervention. As an individual with a mobility disability, Ms. Daniel-Kanetake indicated in her personal statement that she hopes to enhance the lives of persons with disabilities who strive to be contributing community members. Your Committee finds that Ms. Daniel-Kanetake's background, human services experience, and commitment to public service will be great assets to the Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1637 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 649, 653, and 654

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII ADVISORY COMMISSION ON DRUG ABUSE AND CONTROLLED SUBSTANCES

G.M. No. 649 CARL BERGQUIST, for a term to expire 06-30-2021;

G.M. No. 653 ERIKA VARGAS, for a term to expire 06-30-2017; and

G.M. No. 654 ERIKA VARGAS, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Carl Bergquist and Erika Vargas to possess the requisite qualifications to be nominated to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances.

CARL BERGQUIST

Your Committee received testimony in support of the nomination of Carl Bergquist for reappointment from the Department of Health, Hawai'i Pacific Health, The Drug Policy Action Group, and three individuals.

Mr. Bergquist currently serves as the Executive Director for the Drug Policy Forum of Hawai'i, a role that requires advocating to change Hawaii's drug policies, collaborating with government officials and organizations regarding implementation and action, and publishing educational materials. Your Committee finds that Mr. Bergquist has a comprehensive understanding of the health implications that drugs have on the community and how to effectively promote evidence-based drug policy reform. Mr. Bergquist previously worked for the Coalition for Humane Immigrant Rights of Los Angeles in various policy roles and has indicated an interest in helping the low-income immigrant community in Hawaii as well as expanding work with the Native Hawaiian community. In his personal statement, Mr. Bergquist indicated that he hopes to help expand current drug treatment services, highlight the public health effects of criminalizing drug users, and address Hawaii's crystal methamphetamine epidemic. Your Committee notes that Mr. Bergquist has been serving as a member of the Hawaii Advisory Commission on Drug Abuse and Controlled Substances for the last year and finds that Mr. Bergquist's background, advocacy experience, and commitment to public service qualify him for reappointment to the Commission.

ERIKA VARGAS

Your Committee received testimony in support of the appointment and reappointment of Erika Vargas from the Department of Health, Hawaii Substance Abuse Coalition, Domestic Violence Action Center, Ka Hale Pomaika'i Inc., Kua'āina ulu 'auamo, and six individuals.

Ms. Vargas currently is the Manager of Adult Services at Hina Mauka, where she oversees operations of residential and outpatient services for patients with alcohol and substance use disorders. Your Committee finds that Ms. Vargas is licensed to diagnose mental illness and has prior experience as a clinical team leader, intake coordinator, substance abuse counselor, and child and family therapist. According to testimony, Ms. Vargas has extensive knowledge of substance abuse and mental health treatment using a trauma-informed approach, particularly for individuals with complex co-morbidities. Your Committee notes that Ms. Vargas has a strong interest in community involvement. Ms. Vargas is active with the Aiea Community Association and previously served in a Latino re-entry program, where she provided cultural services to reduce recidivism of offenders in recovery. In her personal statement, Ms. Vargas indicated that she hopes to help strengthen the community response that directs substance abusers to services rather than incarceration. Your Committee finds that Ms. Vargas' knowledge, expertise in substance abuse treatment, and dedication to serving the community will be strong assets to the Hawaii Advisory Commission on Drug Abuse and Controlled Substances.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1638 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 650 and 660

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 650 CHRISTOPHER SIBLEY, for a term to expire 06-30-2021; and

G.M. No. 660 WILLIAM BAILEY, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Christopher Sibley and William Bailey to possess the requisite qualifications to be nominated for reappointment to the Statewide Health Coordinating Council.

CHRISTOPHER SIBLEY

Your Committee received testimony in support of the nomination of Christopher Sibley for reappointment from the State Health Planning and Development Agency and The Queen's Medical Center.

Mr. Sibley currently serves as the Vice President of Alert Alarm Hawaii and has many years of experience in healthcare finance, policy development, market analysis, rate view, underwriting, and other areas of healthcare management. Previously, Mr. Sibley was the President of the Retina Institute Management Inc., Chief Financial Officer for the Retina Institute of Hawaii, and Business Planning Manager for the Hawaii Medical Service Association. Your Committee finds that Mr. Sibley is very actively engaged in the community, serving as chair of the Health Planning Council, Windward Oahu Subarea, chair of the American Cancer Society Relay for Life, past President and Treasurer of Rotary Club of Honolulu Sunrise, and past President of Friends of Lyon Arboretum. In his personal statement, Mr. Sibley indicated that he hopes to assist the Council with updating the Health Services and Facilities Plan as well as an all payer claims database. Your Committee notes that Mr. Sibley has been serving as a member of the Statewide Health Coordinating Council for many years and has a thorough understanding of the role and responsibilities of council members. Your Committee finds that Mr. Sibley's personal background, professional experience, and demonstrated commitment to public service qualify him for reappointment to the Council.

WILLIAM BAILEY

Your Committee received testimony in support of the nomination of William Bailey for reappointment from the State Health Planning and Development Agency and three individuals.

Mr. Bailey currently serves as the General Manager for American Medical Response and is responsible for personnel management, business development, public relations, government relations, pre-billing oversight, accounts payable, fleet maintenance, and risk management. Your Committee notes that Mr. Bailey has over forty years of experience in the emergency medical services industry, thirty of which have included management experience. Your Committee finds that Mr. Bailey has demonstrated significant dedication to public service, as evidenced by his service on the boards of the Keiki Injury Prevention Committee, Military Assistance to Safety & Traffic, Hawaii Kids at Work, Inc., and Governor's Injury Prevention Advisory Committee. In his personal statement, Mr. Bailey indicated that he hopes to continue working to improve healthcare access, quality, and cost in Hawaii. Your Committee notes that Mr. Bailey has been serving as a member of the Statewide Health Coordinating Council and has a thorough understanding of the role and responsibilities of council members. Your Committee finds that Mr. Bailey's knowledge, extensive emergency medical services experience, and clear commitment to the community qualify him for reappointment to the Council.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Ihara, Kidani).

SCRep. 1639 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 680 and 681

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 680 JOY SHIMABUKU, for a term to expire 06-30-2021; and

G.M. No. 681 DENNIS NAGATA, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joy Shimabuku and Dennis Nagata to possess the requisite qualifications to be nominated for reappointment to the Board of Dental Examiners.

JOY SHIMABUKU

Your Committee received testimony in support of the nomination for the reappointment of Joy Shimabuku from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Ms. Shimabuku's background, dedication to public service, and proven leadership on the Board of Dental Examiners also qualify her to be nominated for reappointment to the Board of Dental Examiners as a public member. Your Committee notes that Ms. Shimabuku is a licensed cosmetologist, licensed cosmetology instructor, and business owner who actively donates her time to the community, including volunteering with the American Cancer Society's "Look Good, Feel Better" program, which provides beauty services to cancer patients. Your Committee further finds that Ms. Shimabuku has been a member of the Board of Dental Examiners since May 2014 and her background as a professional licensee and small business owner continues to bring a valuable public member perspective to the Board. Your Committee therefore recommends that Ms. Shimabuku be reappointed to the Board of Dental Examiners based on her experience, background, and commitment to serving her community.

DENNIS NAGATA

Your Committee received testimony in support of the nomination for the reappointment of Dennis Nagata from the Department of Commerce and Consumer Affairs, Hawaii Dental Association, and two individuals.

Upon review of the testimony, your Committee finds that Dr. Nagata's background, experience, and proven leadership on the Board of Dental Examiners also qualify him to be nominated for reappointment to the Board of Dental Examiners as a dentist member. Your Committee notes that Dr. Nagata has been a licensed dentist since 1979, has been in private practice for over thirty years, and was a Clinical Instructor at LVI Global, a post-graduate dental learning institution, for nearly twenty years. Your Committee further finds that Dr. Nagata has been a member of the Board of Dental Examiners since July 2013 and his experience as an examiner for dental licensure examinations and the valuable insights he has gained throughout his extensive career continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Dr. Nagata be reappointed to the Board of Dental 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, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1640 Commerce, Consumer Protection, and Health on Gov. Msg. No. 682

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 682 RUSSELL CHUNG, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Russell Chung to possess the requisite qualifications to be nominated for reappointment to the Board of Physical Therapy.

Your Committee received testimony in support of the nomination for the reappointment of Russell Chung from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Chung's background, commitment to public service, and proven experience on the Board of Physical Therapy also qualify him to be nominated for reappointment to the Board of Physical Therapy as a public member. Your Committee notes that Mr. Chung is a landscape architect with over thirty-five years of experience in landscape design in California and Hawaii and is the Executive Vice-President of PBR Hawaii & Associates, Inc. Mr. Chung also has over twenty years of experience serving on various state boards, including prior service as a public member on the Motor Vehicle Industry Licensing Board and as a licensee member on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects. Your Committee further finds that Mr. Chung has been a member of the Board of Physical Therapy since April 2014 and his perspective as an experienced board member continues to enhance the effectiveness of the Board of Physical Therapy. Your Committee therefore recommends that Mr. Chung be reappointed to the Board of Physical Therapy based on his knowledge, experience, and dedication to serving his community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1641 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 683, 684, 685, 686, 687, and 688

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HEALTH SYSTEMS CORPORATION

G.M. No. 683 JULIETTE TULANG, for a term to expire 06-30-2019;

G.M. No. 684 WAYNE KANEMOTO, for a term to expire 06-30-2021;

G.M. No. 685 ANTONETTE TORRES, for a term to expire 06-30-2021;

G.M. No. 686 DANIEL RICK, for a term to expire 06-30-2021;

G.M. No. 687 DONNA LEE MCCLEARY, for a term to expire 06-30-2017; and

G.M. No. 688 DONNA LEE MCCLEARY, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Juliette Tulang, Wayne Kanemoto, Antonette Torres, Daniel Rick, and Donna Lee McCleary to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Health Systems Corporation.

JULIETTE TULANG

Your Committee received testimony in support of the nomination of Juliette Tulang for reappointment from the Hawaii Health Systems Corporation, East Hawaii Regional Board of the Hawaii Health Systems Corporation, and three individuals.

Prior to retirement, Ms. Tulang served in a variety of roles including working as the Director of the Department of Parks and Recreation for the County of Hawaii, and Marketing and Development Assistant at the Hawaii Community Foundation's Hawaii Island Office. Your Committee finds that Ms. Tulang has experience working with individuals at various life stages, including her time as a high school teacher and twenty-five years of work with the elderly community. Your Committee notes that Ms. Tulang has served as President and board member of the Hilo Medical Center Foundation and member of the American Cancer Society Board, and is involved with numerous other community organizations and efforts. In her personal statement, Ms. Tulang indicated that she hopes to work toward the provision of accessible, quality healthcare that is patient-centered and cost-effective as well as advocate for healthcare in rural communities. Your Committee notes that Ms. Tulang has served on the Board of Directors of the Hawaii Health Systems Corporation since December 2015 and is familiar with the role and responsibilities of board members. Your Committee finds that Ms. Tulang's knowledge, demonstrated leadership, and commitment to the community qualify her for reappointment to the Board.

WAYNE KANEMOTO

Your Committee received testimony in support of the nomination of Wayne Kanemoto for reappointment from the Hawaii Health Systems Corporation, Hawaii Government Employees Association, and three individuals.

Mr. Kanemoto is currently involved with youth programs at Kanalani Enterprises, LLC, and has a variety of previous work experiences, including a distinguished career in education as a science teacher and as Principal of Laupāhoehoe High and Elementary School. Your Committee finds that Mr. Kanemoto has demonstrated his commitment to improving healthcare throughout the East Hawaii region as Vice Chair and in other roles on the Hawai'i Health Systems Corporation East Hawaii Regional Board. Mr. Kanemoto has also volunteered extensively with the Hawaii Family Literacy Consortium, Hawaii Community School Consortium, and Hawaii County Workforce Investment Board. In his personal statement, Mr. Kanemoto indicated that he hopes to help guide the future of the Hawai'i Health Systems Corporation and relevant policy as the healthcare field changes. Your Committee notes that Mr.

Kanemoto has served on the Board of Directors of the Hawaii Health Systems Corporation since 2016 and is familiar with the role and responsibilities of board members. Your Committee finds that Mr. Kanemoto's background, leadership experience, and commitment to public service qualify him for reappointment to the Board.

ANTONETTE TORRES

Your Committee received testimony in support of the nomination of Antonette Torres for reappointment from the Hawaii Health Systems Corporation and one individual.

Ms. Torres currently serves as the Public Health Nursing Director for the Kauai District Health Office of the Department of Health and is responsible for service delivery in the areas of health and wellness, communicable diseases, school health, and emergency preparedness. Your Committee finds that Ms. Torres has extensive administrative and public health expertise, as well as dedicated involvement in numerous public health fairs and immunization clinics. Your Committee notes that Ms. Torres is very involved in public service including serving as a board member of Kauai Rural Health, member of Kauai Community Alliance, and member of Kauai Community College's Nursing Program Advisory Board. In her personal statement, Ms. Torres indicated that she hopes to contribute the perspective of overall health, concerns of healthcare workers, and community input regarding healthcare services. Your Committee notes that Ms. Torres currently serves as the Secretary and Treasurer for the Board of Directors of the Hawaii Health Systems Corporation and finds that Ms. Torres' professional experience, community involvement, and passion for healthcare qualify her for reappointment to the Board.

DANIEL RICK

Your Committee received testimony in support of the nomination of Daniel Rick for reappointment from the Hawaii Health Systems Corporation and Kona Community Hospital.

Mr. Rick is presently the owner of a physical therapy business in Kailua-Kona and continues to provide direct healthcare as a registered physical therapist. Your Committee finds that Mr. Rick has thirty-three years of experience in the healthcare field as a physical therapist and has a deep understanding of the healthcare needs of the West Hawaii community. Your Committee notes that Mr. Rick served as a member of the Hawai'i Health Systems Corporation West Hawaii Regional Board from 2008 to 2014, where he demonstrated his commitment to his community's healthcare system. In his personal statement, Mr. Rick indicated that he hopes to ensure quality healthcare and a smoother transition as the Hawai'i Health Systems Corporation moves forward into a new system structure of partnerships. Your Committee notes that Mr. Rick is currently serving on the Board of Directors of the Hawaii Health Systems Corporation and is familiar with the role and responsibilities of board members. Your Committee finds that Mr. Rick's professional experience, community involvement, and commitment to quality healthcare qualify him for reappointment to the Board.

DONNA LEE MCCLEARY

Your Committee received testimony in support of the nomination for the appointment and reappointment of Donna McCleary from the Hawaii Health Systems Corporation and four individuals.

Dr. McCleary is a Pediatrician and has been on the medical staff at Maui Memorial Medical Center for over forty years. Your Committee finds that Dr. McCleary has extensive medical practice and healthcare management experience, and has been responsible for numerous system initiatives for the Hawaii Permanente Medical Group to build access and capacity across the State. Your Committee finds that Dr. McCleary has held various leadership positions with Hawaii Permanente Medical Group, including serving as Medical Director for the Kaiser Quest program for over ten years. Your Committee notes that Dr. McCleary has an established history of community involvement, including serving previously on the Maui Region Board of the Hawaii Health Systems Corporation and currently serving on the Maui Hospice Board of Directors and as Chair of the Hale Makua Board. In her personal statement, Dr. McCleary indicated that she hopes to facilitate communication to ensure the continued delivery of high quality hospital and long-term care. Your Committee finds that Dr. McCleary's professional experience, public service, and leadership in the healthcare community will be great assets to the Board.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1642 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 707 and 708

Recommending that the Senate advise and consent to the nominations of the following:

REAL ESTATE COMMISSION

G.M. No. 707 LAURIE LEE, for a term to expire 06-30-2021; and

G.M. No. 708 ALETA KLEIN, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Laurie Lee and Aleta Klein to possess the requisite qualifications to be nominated for reappointment to the Real Estate Commission.

LAURIE LEE

Your Committee received testimony in support of the nomination for the reappointment of Laurie Lee from the Real Estate Commission; Hawai'i Association of REALTORS; Stanford Carr Development, LLC; and four individuals.

Upon review of the testimony, your Committee finds that Ms. Lee's knowledge, background, and proven leadership on the Real Estate Commission also qualify her to be nominated for reappointment to the Real Estate Commission as a real estate broker member representing the City and County of Honolulu. Your Committee notes that Ms. Lee has been in the real estate industry for over twenty-five years and has been a licensed real estate broker for twenty years. Ms. Lee is currently the Principal Broker of Pacific Island Realty, LLC, and the exclusive Broker for Stanford Carr Development LLC's new home projects. Your Committee further finds that Ms. Lee has been a member of the Real Estate Commission since 2013, currently serves as Chairperson of the Commission's Condominium Review Committee, and has a keen knowledge of the laws and rules that affect the Commission's work. Your Committee therefore recommends that Ms. Lee be reappointed to the Real Estate Commission based on her background, experience, and commitment to public service.

ALETA KLEIN

Your Committee received testimony in support of the nomination for the reappointment of Aleta Klein from the Real Estate Commission, Hawai'i Association of REALTORS, and four individuals.

Upon review of the testimony, your Committee finds that Ms. Klein's background, knowledge, and proven leadership on the Real Estate Commission also qualify her to be nominated for reappointment to the Real Estate Commission as a real estate broker member representing the City and County of Honolulu. Your Committee notes that Ms. Klein has been in the real estate industry for nearly forty years, has been licensed as a real estate broker since 1979, and has been the President and Principal Broker of her company, KleinCo, LLC, since 2002. Ms. Klein is also actively involved with the Hawai'i Association of REALTORS, where she has served in a variety of leadership roles and committee positions. Your Committee further finds that Ms. Klein has served on the Real Estate Commission since July 2014 and has a keen understanding of the issues that come before the Commission. Your Committee therefore recommends that Ms. Klein be reappointed to the Real Estate Commission based on her knowledge, experience, and dedication to serving the public.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1643 Commerce, Consumer Protection, and Health on Gov. Msg. No. 709

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 709 KATHLEEN KANG-KAULUPALI, for a term to expire 06-30-2021

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 for reappointment to the State Board of Chiropractic Examiners.

Your Committee received testimony in support of the nomination for the reappointment 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 knowledge, background, and proven experience on the State Board of Chiropractic Examiners also qualify her to be nominated 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 a Pharmaceutical Consultant and Staff Pharmacist for the Clinical Standards Office in the Department of Human Services' Med-QUEST Division. Dr. Kang-Kaulupali is also the Coordinator for the Med-QUEST Division's Medicaid Drug Utilization Review Board and actively participates in the American Pharmacists Association and Hawaii Pharmacists Association. Your Committee further finds that Dr. Kang-Kaulupali has served on the State Board of Chiropractic Examiners since May 2011 and her background as a health care practitioner and desire to contribute to the community continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Dr. Kang-Kaulupali be reappointed to the State Board of Chiropractic Examiners based on her background, experience, and dedication to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1644 Commerce, Consumer Protection, and Health on Gov. Msg. No. 710

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 710 JAYNE TSUCHIYAMA, for a term to expire 06-30-2021

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 for reappointment to the Board of Acupuncture.

Your Committee received testimony in support of the nomination for the reappointment of Jayne Tsuchiyama from the Department of Commerce and Consumer Affairs, Institute of Clinical Acupuncture and Oriental Medicine, and one individual.

Upon review of the testimony, your Committee finds that Dr. Tsuchiyama's knowledge, background, and proven leadership on the Board of Acupuncture also qualify her to be nominated for reappointment to the Board of Acupuncture as a licensee member. Your Committee notes that Dr. Tsuchiyama is the first acupuncturist to work in the Queen's Cancer Center, where she has been treating patients since 2008 for the side effects of surgery, radiation, and chemotherapy. Dr. Tsuchiyama also works at the Women's Health Center at The Queen's Medical Center and is also the only research acupuncturist in the State to be involved in a National Clinical Trial conducted by Wake Forest University, MD Anderson Cancer Center, and the University of Hawai'i Cancer Center. Your Committee further finds that Dr. Tsuchiyama has been a member of the Board of Acupuncture since April 2012 and is the current Chair of the Board and her insights into the practice of acupuncture continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Dr. Tsuchiyama be reappointed to the Board of Acupuncture based on her experience, background, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1645 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 711, 712, 713, 714, and 715

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. 711 RICHARD SUZUKI, for a term to expire 06-30-2021;
- G.M. No. 712 ROBERT YUMOL, for a term to expire 06-30-2019;
- G.M. No. 713 DAN HIROTA, for a term to expire 06-30-2021;
- G.M. No. 714 ROBERT EGGLESTON, for a term to expire 06-30-2019; and
- G.M. No. 715 KEN OTA, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Richard Suzuki, Robert Yumol, Dan Hirota, Robert Eggleston, and Ken Ota to possess the requisite qualifications to be nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

RICHARD SUZUKI

Your Committee received testimony in support of the nomination for the reappointment of Richard Suzuki from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Mr. Suzuki's knowledge, background, and proven leadership on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects also qualify him to be nominated for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a professional engineer member. Your Committee notes that Mr. Suzuki has over forty-seven years of professional experience as a civil engineer, including extensive experience as a design engineer for infrastructure development with a specialty in drainage. Although currently retired, Mr. Suzuki previously held positions of responsibility with the State of Hawaii, City and County of Honolulu, and URS Corporation. Your Committee further finds that Mr. Suzuki has served on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects since July 2013 and through this position is an active participant with the National Council of Examiners for Engineers and Surveyors, the national organization responsible for establishing the licensing standards for professional engineers and surveyors. Your Committee therefore recommends that Mr. Suzuki be reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his background, extensive experience, and commitment to public service.

ROBERT YUMOL

Your Committee received testimony in support of the nomination of Robert Yumol from the Department of Commerce and Consumer Affairs; Architects Hawaii, Ltd.; and one individual.

Upon review of the testimony, your Committee finds that Mr. Yumol's background, knowledge, and prior experience on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him to be nominated for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a professional architect member. Your Committee notes that Mr. Yumol has over forty years of experience in the field of architecture and has been involved in the design and management of numerous projects throughout his career, including hotels, condominiums, office buildings, and single family and multi-family homes. Your Committee further finds that Mr. Yumol previously served on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects from July 2007 through June 2015 and represented the Board at most of the regional and national meetings. Mr. Yumol is also the current Chair of the Rules Committee that supports the Board and has indicated a desire to continue assisting the Board in this capacity. Your Committee therefore recommends that Mr. Yumol be appointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his extensive experience, knowledge, and dedication to serving the public.

DAN HIROTA

Your Committee received testimony in support of the nomination of Dan Hirota from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Hirota's knowledge, background, and prior experience on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him to be nominated for appointment 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 twenty years of work experience as a land surveyor, land court surveyor, and civil engineer, and is the third generation of his family to practice his profession in the State. Mr. Hirota previously served as a member of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects from July 2008 to June 2016, including as past Chair, and was instrumental in representing the Board to finalize an updated 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's experience will be an asset to the Board and therefore recommends that Mr. Hirota be appointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his experience, knowledge, and commitment to public service.

ROBERT EGGLESTON

Your Committee received testimony in support of the nomination of Robert Eggleston from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Eggleston's background, experience, and commitment to public service qualify him to be nominated for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a public member. Your Committee notes that Mr. Eggleston worked for forty-five years as a teacher and administrator with the Hawaii Department of Education, including serving as Principal of Aliamanu Middle School for over eleven years prior to his recent retirement. Mr. Eggleston also served as a middle school industrial arts teacher for several years at the outset of his career in public education and indicated to your Committee that he continues to have an interest in the practice areas that the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects oversees. Your Committee further finds that Mr. Eggleston has a thorough understanding of the role and responsibilities of board members and his interest and dedication will be a valuable asset to the Board. Your Committee therefore recommends that Mr. Eggleston be appointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, background, and commitment to public service.

KEN OTA

Your Committee received testimony in support of the nomination for the reappointment of Ken Ota from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Ota's background, experience, and proven leadership on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects also qualify him to be nominated for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a public member. Your Committee notes that Mr. Ota has twenty-five years of experience in the water supply industry and is a dedicated member of his community, where he serves in numerous leadership roles for a variety of organizations, including his current positions as a board member for the Alexander & Baldwin Sugar Museum and trustee for the Hawaii Section of the American Water Works Association. Mr. Ota has served as a current member of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects since May 2016 and previously served and held leadership positions on the Board. Your Committee further finds that the expertise Mr. Ota gained during his prior service continues to be an asset to the Board and therefore recommends that Mr. Ota be reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, background, and dedication to public service.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1646 Commerce, Consumer Protection, and Health on Gov. Msg. No. 716

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 716 ROBB SHIBAYAMA, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Robb Shibayama 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 Robb Shibayama from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Dr. Shibayama's knowledge, background, and commitment to public service qualify him to be nominated for appointment to the Board of Examiners in Optometry as a licensed optometrist member. Your Committee notes that Dr. Shibayama has been licensed as an optometrist in Hawaii for seventeen years and is one of the principal optometrists at Hawaii Vision Associates, the largest optometry group in the State. Through his work with Hawaii Vision Associates, Dr. Shibayama has developed a wealth of experience in the practice of optometry and in operating a business that provides eye care services to patients in multiple locations on Oahu. Your Committee further finds that Dr. Shibayama has a thorough understanding of the role and responsibilities of board members and his experience as a practitioner and businessperson will be an asset to the workings

of the Board of Examiners in Optometry. Your Committee therefore recommends that Dr. Shibayama be appointed to the Board of Examiners in Optometry based on his experience, background, and dedication to serving his community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 6. Noes, none. Excused, 1 (Ihara).

SCRep. 1647 Commerce, Consumer Protection, and Health on Gov. Msg. No. 755

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I MEDICAL BOARD

G.M. No. 755 FRANKLIN DAO, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Franklin Dao to possess the requisite qualifications to be nominated to the Hawaii Medical Board.

Your Committee received testimony in support of the nomination of Franklin Dao from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Dao's background, experience, and commitment to public service qualify him to be nominated for appointment to the Hawaii Medical Board as a physician member. Your Committee notes that Dr. Dao has been a physician for over twenty years and has been board certified in obstetrics and gynecology since 2003. Dr. Dao has considerable professional experience in private practice and as a member of the medical staff for large health care service providers on Oahu, including Kaiser Permanente, and more recently, The Queen's Medical Center. Through The Queen's Medical Center, Dr. Dao serves as a member of the Professional Practice Evaluation Committee, is Chair of the Perinatal Committee in the Department of Obstetrics and Gynecology, and participates in peer review. Your Committee further finds that Dr. Dao has a thorough understanding of the role and responsibilities of board members and therefore recommends that Dr. Dao be appointed to the Hawaii Medical Board based on his knowledge, experience, and desire to contribute to the community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1648 Commerce, Consumer Protection, and Health on Gov. Msg. No. 756

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 756 LORNA HU, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lorna Hu to possess the requisite qualifications to be nominated to the Board of Speech Pathology and Audiology.

Your Committee received testimony in support of the nomination of Lorna Hu from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Ms. Hu's background, experience, and commitment to public service qualify her to be nominated for appointment to the Board of Speech Pathology and Audiology as a speech pathologist member. Your Committee notes that Ms. Hu has been a licensed speech pathologist in Hawaii for over thirty years and is a Speech and Language Pathologist at Tripler Army Medical Center, where she provides case management, diagnostic, and treatment services for military dependent children, with a specific emphasis on children between 0-3 years of age. Ms. Hu also serves as a mentor and supervisor for the University of Hawai'i and American Speech-Language Hearing Association's mentioning program. Your Committee further finds that Ms. Hu has a thorough understanding of the role and responsibilities of board members by virtue of her prior experience as a member of the Regulated Industries Complaints Office's Speech Pathology and Audiology Advisory Committee and therefore recommends that Ms. Hu be appointed to the Board of Speech Pathology and Audiology based on her knowledge, experience, and dedication to serving her community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1649 Commerce, Consumer Protection, and Health on Gov. Msg. No. 769

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 769 RANDAL HIRAKI, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Randal Hiraki to possess the requisite qualifications to be nominated for reappointment to the Board of Electricians and Plumbers.

Your Committee received testimony in support of the nomination for the reappointment of Randal Hiraki from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Hiraki's background, knowledge, and proven experience on the Board of Electricians and Plumbers also qualify him to be nominated for reappointment to the Board of Electricians and Plumbers as a plumber member. Your Committee notes that Mr. Hiraki has been in the plumbing industry in Hawaii for over forty years and has been a licensed journey worker plumber since 1980. Mr. Hiraki is the President of Commercial Plumbing, Inc., which he founded in 1985. Mr. Hiraki's company now employs over two hundred people and provides plumbing and fire sprinkler services for commercial and residential owners. Your Committee further finds that Mr. Hiraki has served on the Board of Electricians and Plumbers since July 2013 and his many years of experience in the plumbing industry continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Hiraki be reappointed to the Board of Electricians and Plumbers 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, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1650 Commerce, Consumer Protection, and Health on Gov. Msg. No. 771

Recommending that the Senate advise and consent to the nomination of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 771 STUART LAU, for a term to expire 06-30-2019

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Stuart Lau to possess the requisite qualifications to be nominated to the Motor Vehicle Repair Industry Board.

Your Committee received testimony in support of the nomination of Stuart Lau from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Lau's background, experience, and dedication to public service also qualify him to be nominated for appointment to the Motor Vehicle Repair Industry Board as a public member. Your Committee notes that Mr. Lau has a background in property management and is an owner and property manager of a number of properties and a senior project manager for The Queen Emma Land Company. Mr. Lau also has a strong public service background and previously served as a member of the Motor Vehicle Repair Industry Board from 1994 until 2002, including time as Chair, and as a member of the Board of Dental Examiners from 2002 to 2006. Your Committee further finds that Mr. Lau has a thorough understanding of the role and responsibilities of board members and his prior experience serving as a member of two licensing boards will be a beneficial asset to the Board. Your Committee therefore recommends that Mr. Lau be appointed to the Motor Vehicle Repair Industry Board based on his knowledge, experience, and commitment to serving his community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1651 Commerce, Consumer Protection, and Health on Gov. Msg. No. 784

Recommending that the Senate advise and consent to the nomination of the following:

CABLE ADVISORY COMMITTEE

G.M. No. 784 SCOTT WONG, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Scott Wong to possess the requisite qualifications to be nominated to the Cable Advisory Committee.

Your Committee received testimony in support of the nomination of Scott Wong from the Department of Commerce and Consumer Affairs, 'Ōlelo Community Media, and one individual.

Upon review of the testimony, your Committee finds that Mr. Wong's background, knowledge, and commitment to serving his community also qualify him to be nominated for appointment to the Cable Advisory Committee. Your Committee notes that Mr. Wong has an entrepreneurial background of business ventures that include video production and media and in emerging areas, like applied robotics. Mr. Wong has also worked in the film and television industry for nearly twenty years, including volunteering for nine years as an 'Ōlelo Community Access Producer and Director and serving for three years on the Board of Directors for 'Ōlelo Community

Media. Your Committee further finds that Mr. Wong has a thorough understanding of the role and responsibilities of board members and his professional background and commitment to bettering his community will be a strong addition to the Cable Advisory Committee. Your Committee therefore recommends that Mr. Wong be appointed to the Cable Advisory Committee based on his experience, background, and dedication to public service.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1652 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 797 and 798

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 797 DAREK SATO, for a term to expire 06-30-2017; and

G.M. No. 798 DAREK SATO, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Darek Sato to possess the requisite qualifications to be nominated for appointment and reappointment to the Board of Examiners in Optometry.

Your Committee received testimony in support of the nomination for the appointment and reappointment of Darek Sato from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Sato's background and commitment to public service also qualify him to be nominated for appointment and reappointment to the Board of Examiners in Optometry as a public member. Your Committee notes that Mr. Sato's background is in general health care administration, where he currently serves as the Provider Network Operations Manager for MDX Hawaii, a company that provides administrative services for health plans that serve large local employers. Your Committee further finds that Mr. Sato has a thorough understanding of the role and responsibilities of board members and his professional background in health care administration will be a beneficial asset to the discussions of the Board. Your Committee therefore recommends that Mr. Sato be appointed and reappointed to the Board of Examiners in Optometry based on his knowledge, background, and dedication to serving his community.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1653 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 799 and 800

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE

G.M. No. 799 RONALD KURODA, for a term to expire 06-30-2021; and

G.M. No. 800 RALPH YAWATA, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ronald Kuroda and Ralph Yawata to possess the requisite qualifications to be nominated for reappointment to the Emergency Medical Services Advisory Committee.

RONALD KURODA

Your Committee received testimony in support of the nomination of Ronald Kuroda for reappointment from the Department of Health and one individual.

Dr. Kuroda is currently an Attending Physician of Emergency Medicine at The Queen's Medical Center and Assistant Clinical Professor for the Department of Surgery at the John A. Burns School of Medicine. Dr. Kuroda is also actively involved in the education and training of students as the Associate Medical Director of the Kapiolani Community College Department of Emergency Medical Services. Your Committee finds that Dr. Kuroda is dedicated to public service, as evidenced by his membership on the Hawaii Medical Board's Emergency Medical Personnel Advisory Committee, The Queen's Medical Center's Professional Practice Evaluation Committee, and the State of Hawaii Emergency Medical Services Morbidity and Mortality Committee. In his personal statement, Dr. Kuroda indicated that he hopes to uphold his fiduciary duty to the public by ensuring that new and costly systems bring true value to the community. Your Committee finds that Dr. Kuroda has served on the Emergency Medical Services Advisory Committee since 2014 and that his experience as an emergency medical technician and physician, as well as his community involvement and commitment to educating future medical professionals, qualify him for reappointment to the Committee.

RALPH YAWATA

Your Committee received testimony in support of the nomination of Ralph Yawata for reappointment from the Department of Health and three individuals.

Prior to retirement, Mr. Yawata worked for the Hawaii County Fire Department, where he served as the Bureau Chief of Emergency Medical Services and later as the Assistant Chief of Support Services overseeing the Hawaii Fire Department's Emergency Medical Services Bureau. Your Committee finds that Mr. Yawata has over thirty years of involvement with various public safety and first responder efforts in Hawaii, including as a paramedic. Your Committee notes that Mr. Yawata has also served as an auxiliary Emergency Medical Services instructor; has taught First Aid, CPR, and AED; and has served as a Safety Officer. In his personal statement, Mr. Yawata indicated that he hopes to use his experience as a service provider and community member to help address local challenges related to emergency medical services. Your Committee finds that Mr. Yawata has served on the Emergency Medical Services Advisory Committee since 2012 and that his knowledge, leadership experience, and expertise on emergency response services qualify him for reappointment to the Committee.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1654 Commerce, Consumer Protection, and Health on Gov. Msg. Nos. 805, 806, 807, and 808

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

- G.M. No. 805 KENNETH SHIMIZU, for a term to expire 06-30-2021;
- G.M. No. 806 ANACLETO ALCANTRA, JR., for a term to expire 06-30-2019 (name amended to ANACLETO ALCANTARA, JR., by GM835);
- G.M. No. 807 NATHAN KONISHI, for a term to expire 06-30-2021; and
- G.M. No. 808 NICHOLAS TEVES, JR., for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kenneth Shimizu; Anacleto Alcantara, Jr.; Nathan Konishi; and Nicholas Teves, Jr., to possess the requisite qualifications to be nominated to the Contractors License Board.

KENNETH SHIMIZU

Your Committee received testimony in support of the nomination of Kenneth Shimizu from the Department of Commerce and Consumer Affairs; SSFM International, Inc.; and Central Construction, Inc.

Upon review of the testimony, your Committee finds that Mr. Shimizu's background, experience, and commitment to public service also qualify him to be nominated for appointment to the Contractors License Board as a general contractor member. Your Committee notes that Mr. Shimizu has more than thirty years' experience in the construction industry and has an extensive background on a variety of large construction projects on Maui. Mr. Shimizu also holds general engineering and general building contractor licenses; was the President, General Manager, and Responsible Managing Employee of Shimizu & Sons Construction, Inc.; previously worked as a Project Manager for Central Construction, Inc.; and is currently the Senior Construction Inspector for SSFM International, Inc. Your Committee further finds that Mr. Shimizu has a thorough understanding of the role and responsibilities of board members and his experience and familiarity with the construction industry will be a beneficial asset to the Contractors License Board. Your Committee therefore recommends that Mr. Shimizu be appointed to the Contractors License Board based on his knowledge, experience, and dedication to serving his community.

ANACLETO ALCANTARA, JR.

Your Committee received testimony in support of the nomination for the reappointment of Anacleto Alcantara, Jr., from the Department of Commerce and Consumer Affairs; Laborers' International Union of North America, Local 368 Hawaii; International Union of Painters and Allied Trades, District Council 50; International Union of Painters and Allied Trades, Drywall Tapers, Finishers and Allied Workers, Local Union 1944 Hawaii, AFL-CIO; and First Hawaiian Bank.

Upon review of the testimony, your Committee finds that Mr. Alcantara's background, knowledge, and proven experience on the Contractors License Board also qualify him to be nominated for reappointment to the Contractors License Board as a specialty contractor member. Your Committee notes that Mr. Alcantara has extensive business experience and has been involved in the construction industry for over ten years; has been licensed as a specialty contractor in Hawaii since 2004; and holds specialty contractor classifications in acoustical and insulation, masonry, taping, and plastering. In addition to being involved with several family businesses, Mr. Alcantara is also the principal Responsible Managing Employee, President, and Chief Executive Officer of First Pacific Builders, LLC. Your Committee further finds that Mr. Alcantara has been a member of the Contractors License Board since July 2011 and his business experience and expertise in drywall, plastering, insulation, and masonry work continue to enhance the effectiveness of the Board. Your Committee therefore recommends that Mr. Alcantara be reappointed to the Contractors License Board based on his knowledge, experience, and commitment to public service.

NATHAN KONISHI

Your Committee received testimony in support of the nomination for the reappointment of Nathan Konishi from the Department of Commerce and Consumer Affairs, Contractors Association of Kaua'i, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Konishi's knowledge, background, and proven leadership on the Contractors License Board also qualify him to be nominated for reappointment to the Contractors License Board as a general contractor member. Your Committee notes that Mr. Konishi has been in the construction industry for over thirty-four years, has been licensed as a general building contractor in Hawaii since 1995, holds several other specialty license classifications, and is the founder and Responsible Managing Employee of Pacific Blue Construction, LLC, on Kauai, which primarily specializes in commercial building jobs and federal, state, and county public works bids. Your Committee further finds that Mr. Konishi has been a member of the Contractors License Board since January 2013 and has been the Chairperson of the Board's Scope Committee for over two years, and his extensive experience in the construction industry continues to be an asset to the deliberations of the Board. Your Committee therefore recommends that Mr. Konishi be reappointed to the Contractors License Board based on his background, experience, and dedication to public service.

NICHOLAS TEVES, JR.

Your Committee received testimony in support of the nomination of Nicholas Teves, Jr., from the Department of Commerce and Consumer Affairs, Sand Island Business Association, and Pacific Electrical Contractors' Association.

Upon review of the testimony, your Committee finds that Mr. Teves' background, experience, and commitment to public service also qualify him to be nominated for appointment to the Contractors License Board as a specialty contractor member. Your Committee notes that Mr. Teves has more than forty years' experience with electrical work; is licensed as a specialty contractor and as a licensed supervising electrician; and is the President and Responsible Managing Employee for Commercial Electric, Inc., where he has worked for the past forty-three years. Mr. Teves also has a long history of public service and previously served as a member of the Board of Electricians and Plumbers, Contractors License Board, Aloha Tower Commission, and Land Use Commission. Your Committee further finds that Mr. Teves' extensive professional experience as a contractor and supervising electrician and as a member of various boards and commissions will be a beneficial asset to the Contractors License Board and therefore recommends that Mr. Teves be appointed to the Contractors License Board based on his knowledge, experience, and dedication to serving his community.

As affirmed by the records of votes of the members of your Committee on Commerce, Consumer Protection, and Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, 2 (Kidani, Ruderman).

SCRep. 1655 Ways and Means on Gov. Msg. No. 504

Recommending that the Senate advise and consent to the nomination of the following:

DEPUTY DIRECTOR OF THE DEPARTMENT OF BUDGET AND FINANCE

GM. No. 504 LAUREL JOHNSTON, for a term to expire 12-03-2018

Your Committee reviewed the personal statement and resume submitted by the nominee and finds Laurel Johnston to have the necessary qualifications to serve as the Deputy Director of Budget and Finance.

Your Committee received comments in support of the nomination of Ms. Johnston as Deputy Director of Budget and Finance from David Y. Ige, Governor; Wesley Machida, Director of Finance, and two administrators, Department of Budget and Finance; Thomas Williams, Executive Director, Employees' Retirement System, Department of Budget and Finance; Maria Zielinski, Director, Department of Taxation; Roderick Becker, Comptroller, Department of Accounting and General Services; Todd Nacapuy, Chief Information Officer, Office of Enterprise Technology Services, Department of Accounting and General Services; Sarah Allen, Administrator, State Procurement Office, Department of Accounting and General Services; Luis Salaveria, Director, and Mary Alice Evans, Deputy Director, Department of Business, Economic Development, and Tourism; Suzanne D. Case, Chairperson, Board of Land and Natural Resources; Pankaj Bhanot, Director, Department of Human Services; James Nishimoto, Director, Department of Human Resources Development; Jo Ann Uchida Takeuchi, Deputy Director, Department of Commerce and Consumer Affairs; Phyllis Shimabukuro-Geiser, Deputy to the Chairperson, Board of Agriculture; Linda Chu Takayama, Director, Department of Labor and Industrial Relations; Major General Arthur "Joe" Logan, Adjutant General and Director of the Hawaii Emergency Management Agency, Department of Defense; Nolan P. Espinda, Director, Department of Public Safety; Ford Fuchigami, Director, Department of Transportation; Virginia Pressler, Director, Department of Health; Gary Slovin, Mihoko Ito, and Rick Tsujimura, SanHi Government Strategies; and eleven individuals.

Your Committee finds that, consistent with the exemplary comments received on her behalf, Deputy Director Johnston has experience successfully planning, coordinating, and managing large, complex budgets for the University of Hawaii and the Department of Education; has held various leadership positions in state government, including Deputy Chief of Staff for the Office of the Governor; and has also distinguished herself with two decades of pertinent work experience in state government and demonstrated knowledge of budgetary operations and systems.

As 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, 6. Noes, none. Excused, 5 (Galuteria, Harimoto, Inouye, Kahele, Shimabukuro).

SCRep. 1656 Ways and Means on Gov. Msg. No. 505

Recommending that the Senate advise and consent to the nomination of the following:

DEPUTY DIRECTOR OF THE DEPARTMENT OF TAXATION

GM. No. 505 DAMIEN ELEFANTE, for a term to expire 12-03-2018

Your Committee reviewed the personal statement and resume submitted by the nominee and finds Damien Elefante to have the necessary qualifications to serve as the Deputy Director of Taxation.

Your Committee received comments in support of the nomination of Mr. Elefante as Deputy Director of Taxation from David Y. Ige, Governor; Maria Zielinski, Director, Department of Taxation; Wesley Machida, Director of Finance, and Laurel Johnston, Deputy Director, Department of Budget and Finance; Roderick Becker, Comptroller, Department of Accounting and General Services; Todd Nacapuy, Chief Information Officer, Office of Enterprise Technology Services, Department of Accounting and General Services; Luis Salaveria, Director, and Mary Alice Evans, Deputy Director, Department of Business, Economic Development, and Tourism; Linda Chu Takayama, Director, Department of Labor and Industrial Relations; Pankaj Bhanot, Director, Department of Human Services; James Nishimoto, Director, Department of Human Resources Development; Suzanne D. Case, Chairperson, Board of Land and Natural Resources; Phyllis Shimabukuro-Geiser, Deputy to the Chairperson, Board of Agriculture; Ford Fuchigami, Director, Department of Transportation; Virginia Pressler, Director, Department of Health; Mihoko Ito, SanHi Government Strategies; and eight individuals. Comments were received from one individual.

Your Committee finds that, consistent with the exemplary comments received on his behalf, Mr. Elefante possesses the knowledge, skills, and abilities necessary to effectively serve as the Deputy Director of Taxation and administer the various improvements to programs and services designed to better serve the taxpayers of Hawaii. He has served as the Deputy Attorney General assigned to the Department of Taxation for the past thirteen years and has a solid understanding of the State's tax laws, tax law enforcement, and the management of tax collections.

As 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, 6. Noes, none. Excused, 5 (Galuteria, Harimoto, Inouye, Kahele, Shimabukuro).

SCRep. 1657 (Joint) Higher Education and Human Services on H.C.R. No. 35

The purpose and intent of this measure is to request that the University of Hawaii Center on Aging convene a task force to assess existing elder and kupuna care services and the anticipated demand for those services in order to improve services and meet future demand.

Your Committees received testimony in support of this measure from the University of Hawai'i at Mānoa Myron B. Thompson School of Social Work, Lanakila Pacific, and two individuals. Your Committees received comments on this measure from the Executive Office on Aging.

Your Committees find that by 2030, Hawaii residents aged sixty and older are projected to constitute 27.4 percent of the State's population, and that this large aging population will have a significant impact on the organization and delivery of healthcare. Your Committees further find that the kupuna care program is an alternative to traditional long-term care supports and services, and has a goal of enabling older adults to lead independent, meaningful, and dignified lives in their own homes and communities. Kupuna care also strives to provide a safety net of services for all kupuna and their caregivers, including access to affordable and quality home- and community-based services, hot meals, transportation, case management, and personal care assistance. Your Committees note testimony received which explains that currently it is challenging to find appropriately trained service providers for kupuna care services and the importance of building capacity to respond to the needs of Hawaii's current and growing older population.

Your Committees acknowledge the significant undertaking that this measure requests of the task force, and find that this measure is intended to be an initial step in the process of assessing Hawaii's kupuna care services and the demand for such services. Your Committees find that this measure requests that a report be submitted to the Legislature twenty days prior to the convening of the Regular Session of 2018, but that this report may be a preliminary report with a more comprehensive report to be submitted the following year.

Your Committees have amended this measure by:

- (1) Inserting language to request the task force to conduct a complete economic analysis of the cost for primary kupuna care services, adequate training, workforce expansion, service expansion, and financing to improve the current elder and kupuna care services and meet anticipated demand;
- (2) Inserting language to add the Director of Business, Economic Development, and Tourism or the Director's designee to the task force; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Human Services that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 35, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 35, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education: Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Kidani).

Human Services: Ayes, 3. Noes, none. Excused, 2 (Harimoto, Tokuda).

SCRep. 1658 Water and Land on H.C.R. No. 26

The purpose and intent of this measure is to authorize the amendment of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (1) 4-3-005: seaward of 094, Kailua, Koolauapoko, Oahu, for the maintenance and repair of the existing seawall and boat ramp, and for the use, repair, and maintenance of the existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources (Board) may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on June 4, 2004, under agenda item D-6, the Board approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the seawall and boat ramp identified in this measure. Since the issuance of the easement, a subsequent survey has shown the shoreline boundary to be further mauka, which resulted in an additional encroachment area of 328 square feet. On May 27, 2016, under agenda item D-13, the Board authorized the amendment of the easement by incorporating the additional encroachment area subject to an additional payment of \$33,584, based on the pro-rated value of the easement. Your Committee concludes that the amendment to the easement is necessary for the maintenance and repair of the existing seawall and boat ramp, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee has amended this measure by:

- (1) Clarifying that the owner of the property is the Elizabeth Rice Grossman Family Trust;
- (2) Making a technical, nonsubstantive amendment to the title for the purposes of clarity and consistency; and
- (3) 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 H.C.R. No. 26, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 26, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1659 Water and Land on H.C.R. No. 27

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for a portion of state submerged lands identified as tax map key: (1) 4-1-001: seaward of 011, Waimanalo, Koolauapoko, Oahu, for the maintenance and repair of an existing pier, and for use, repair, and maintenance of the existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on January 13, 2017, under agenda item D-14, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachment of the pier identified in this measure, subject to the easement grantee paying the State the fair market value of the easement as determined by an independent appraisal. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing pier and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee has amended this measure by:

- (1) Clarifying that Mr. Muller was acting as trustee of the C. Michael Muller Trust when he expressed an interest in converting the revocable permit to a long-term easement; and
- (2) Making a technical, nonsubstantive amendment to the title 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. 27, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 27, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1660 Water and Land on H.C.R. No. 60

The purpose and intent of this measure is to authorize the amendment of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (1) 3-9-026: seaward of 044, 045, and 048, Maunaloa, Honolulu, Oahu, for the maintenance and repair of the existing channel, concrete surge break or breakwater, seawall, step, and filled land, and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources (Board) may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on November 16, 2001, under agenda item D-13, the Board approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the channel, concrete surge break or breakwater, seawall, and filled land identified in this measure. On April 25, 2008, under agenda item D-11, the Board approved an amendment to the easement to add

square footage to the easement area, insert "step" as part of the purposes of the easement, and allow the easement to run with the abutting parcels.

Your Committee finds that a subsequent shoreline certification process in 2015 has shown an additional encroachment area of 3,503 square feet, more or less. On May 8, 2015, under agenda item D-14, the Board authorized the amendment of the easement by incorporating the additional encroachment area subject to an additional payment to the State of the fair market value of the easement as determined by an independent appraisal; the appraisal has since been completed, and the fair market value of the easement is \$130,000. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing channel, concrete surge break or breakwater, seawall, step, and filled land, and for use, repair, and maintenance of the existing improvements constructed thereon.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that on November 16, 2001, the Board approved a grant of a fifty-five-year easement to Evershine VIII, L.P.;
- (2) Clarifying that the easement was issued in October 2003 for a lump sum payment of \$58,000;
- (3) Inserting the Board actions on January 14, 2005, consenting to the assignment of the subject easement from Evershine VIII, L.P. to Evershine II, L.P. and on April 25, 2008, authorizing the amendment of the easement to add square feet to the easement area, insert "step" as part of the purpose of the easement, and allow the easement to run with the land;
- (4) Correcting the additional area of the encroachment to be 3,503 square feet, more or less, pursuant to testimony received from the Department of Land and Natural Resources;
- (5) Inserting the Board action on May 8, 2015, approving an amendment to the easement by incorporating the additional encroachment area subject to payment of an additional consideration assessed at fair market value;
- (6) Amending its title to make a technical, nonsubstantive amendment; and
- (7) 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 H.C.R. No. 60, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1661 Water and Land on H.C.R. No. 78

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands identified as tax map key: (1) 4-5-058:121, Kaneohe, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements constructed thereon, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on December 9, 2016, under agenda item D-20, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachment of the pier identified in this measure, subject to the easement grantee paying the State the fair market value of the easement, to be determined by an independent appraisal. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee has amended this measure by:

- (1) Correcting the additional area of the encroachment to be 538 square feet, more or less, pursuant to testimony received from the Department of Land and Natural Resources;
- (2) Amending its title to make a technical, nonsubstantive amendment; and
- (3) 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 H.C.R. No. 78, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 78, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1662 Water and Land on H.C.R. No. 97

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands identified as tax map key: (2) 2-6-012:026 at Kuuu, Makawao, Paia, Maui, for maintenance, repair, replacement, and removal of an existing seawall, rubble rock revetment, stairs, and lawn over, under, and across state-owned land, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on November 30, 2012, under agenda item D-5, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments identified in this measure. Your Committee notes the value of the easement as determined by an independent appraisal is \$68,300, and such sum has been remitted to the State. Your Committee concludes that the easement is necessary for the maintenance and repairs of the existing rock walls, revetments, stairway, and lawn encroaching on state submerged and reclaimed (filled) lands.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the non-conforming encroachments were put into place at an undetermined time;
- (2) Clarifying that the Office of Conservation and Coastal Lands determined that allowing the encroachments to remain through the issuance of an easement would have no discernable effect on beach and recreational resources nor act as a detriment to public access, and recommended that any disposition require that the public land uses remain unimproved and a transit corridor be maintained along the seaward extent of the rock walls and revetments;
- (3) Inserting that an independent appraisal determined the fair market value of the easement at \$68,300, and the Department of Land and Natural Resources has confirmed receipt of payment for the easement;
- (4) Clarifying that the purpose of the easement is for the maintenance and repairs of the existing rock walls, revetments, stairway, and lawn over, under, and across state-owned lands;
- (5) Amending its title to accurately reflect its purpose; 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 Water and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 97, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 97, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1663 Water and Land on H.C.R. No. 152

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement for the portion of state submerged lands fronting the property identified as tax map key: (4) 4-3-009: seaward of 001, Waipouli, Kawaihau, Kauai, for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that on May 9, 2014, under agenda item D-1, as subsequently amended at a meeting on October 24, 2014, the Board of Land and Natural Resources approved a grant of a fifty-five-year non-exclusive easement to resolve the encroachments of the seawall identified in this measure. Your Committee notes that the fair market value of the easement is \$25,200 as determined by an independent appraisal, and that the current property owner has remitted payment of \$25,255, inclusive of fees, to the State for the grant of easement. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements thereon.

Your Committee has amended this measure by:

- (1) Correcting the date of the meeting of the Board of Land and Natural Resources from May 19, 2014, to May 9, 2014, pursuant to testimony received from the Department of Land and Natural Resources; and
- (2) Amending its title to make a technical, nonsubstantive amendment.

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. 152, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 152, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1664 Judiciary and Labor on H.C.R. No. 105

The purpose and intent of this measure is to request the Auditor to conduct an audit of the Vocational Rehabilitation Unit (Unit) in the Department of Labor and Industrial Relations (Department), Disability Compensation Division.

Your Committee received testimony in support of this measure from eleven individuals. Your Committee received testimony in opposition to this measure from the Department of Labor and Industrial Relations.

Your Committee finds that the Vocational Rehabilitation Unit in the Department's Disability Compensation Division lacks resources. The Unit consists of one staff member to administer an average of seven hundred sixty claims per month, using a non-digitized system. The Department testified that the Unit's staff was reduced from fourteen positions to one due to a reduction-in-force, and the one position is currently filled by a fairly new staff member. Testimony from vocational rehabilitation counselors indicated that the position was held by one person for the prior twenty years and that the staff member was unable to train her replacement upon

leaving the position two years ago. The Department also testified that it requested an appropriation from the Legislature during the Regular Session of 2017 to modernize the Disability Compensation Division to increase efficiency and that it has assembled the Workers' Compensation Working Group as of 2016, as requested by H.C.R. No. 168, H.D. 2, S.D. 1, Regular Session of 2015, to assess workers' compensation issues, including vocational rehabilitation. The Department additionally stated in oral testimony that it is committed to looking at what it can do administratively, as well as working with vocational rehabilitation stakeholders, to address issues related to the Unit's performance.

In light of the testimony, your Committee finds that an audit is not necessary and believes that at this time it is best that the Department stand by its stated commitment and address issues facing the Unit administratively as well as through the Workers' Compensation Working Group and collaboration with vocational rehabilitation stakeholders.

Accordingly, your Committee has amended this measure by:

- (1) Deleting repetitive findings relating to retaliation against vocational counselors;
- (2) Deleting the request that the Auditor conduct an audit of the Vocational Rehabilitation Unit in the Disability Compensation Division;
- (3) Requesting the Department to report to the Legislature on its efforts to keep its commitment to work with vocational rehabilitation stakeholders and address the issues raised and recommendations made to improve the performance of the Vocational Rehabilitation Unit in its Disability Compensation Division, including any findings and recommendations made by the Workers' Compensation Working Group;
- (4) Amending the title 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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 105, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as H.C.R. No. 105, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Thielen).

SCRep. 1665 Human Services on Gov. Msg. No. 789

Recommending that the Senate advise and consent to the nomination of the following:

STATE REHABILITATION COUNCIL

G.M. No. 789 GWEN KELIHOOMALU, for a term to expire 06-30-2020

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Gwen Kelihoomaluu to possess the requisite qualifications to be nominated for reappointment to the State Rehabilitation Council.

Your Committee received testimony in support of the nomination for the reappointment of Gwen Kelihoomaluu from one individual.

Your Committee finds that Ms. Kelihoomaluu's extensive background in vocational rehabilitation also qualifies her to serve on the State Rehabilitation Council. Ms. Kelihoomaluu is currently a Vocational Rehabilitation Consultant at Kala & Associates, Inc., providing, among other things, services to clients in meeting problems of personal, social, and vocational adjustment. Having worked with individuals with disabilities for over forty years, Ms. Kelihoomaluu has developed expertise working with many types of disabilities. Upon review of the testimony, your Committee finds that Ms. Kelihoomaluu's past experience on the State Rehabilitation Council demonstrates her willingness to serve. Your Committee therefore recommends that Ms. Kelihoomaluu be reappointed to the State Rehabilitation Council based on her professional expertise and dedication to public service.

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 (Tokuda, Wakai).

SCRep. 1666 Housing on Gov. Msg. No. 748

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. 748 RONA FUKUMOTO, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rona Fukumoto to possess the requisite qualifications to be nominated for reappointment to the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of the nomination for the reappointment of Rona Fukumoto from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, and two individuals.

Upon review of the testimony, your Committee finds that Ms. Fukumoto's extensive administrative experience, expertise in critical housing issues, and commitment to public service also qualify her to be nominated for reappointment to the Board of Directors of the Hawaii Housing Finance and Development Corporation. Your Committee notes that Ms. Fukumoto is currently Division Administrator

for Catholic Charities Hawaii's Housing Assistance and Referral programs, and is Catholic Charities Hawaii's former Director of Intake, Information, and Referral. She also volunteers as a member of the Catholic Charities Housing Development Corporation and Hawaii State Department of Human Services Financial Assistance Advisory Council, and has strong links to a wide range of community organizations. Your Committee further notes that Ms. Fukumoto has served as a Director of the Hawaii Housing Finance and Development Corporation since 2014. Your Committee finds that Ms. Fukumoto's extensive experience, dedication to public service, and commitment to addressing the crucial housing needs of Hawaii will continue to be valuable assets to the Hawaii Housing Finance and Development Corporation.

As affirmed by the record of votes of the members of your Committee on 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, 3. Noes, none. Excused, 2 (Kahele, Keith-Agaran).

SCRep. 1667 Judiciary and Labor on Gov. Msg. Nos. 558 and 559

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 558 JOAN LEWIS, for a term to expire 06-30-2020; and

G.M. No. 559 LIANN EBESUGAWA, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joan Lewis and Liann Ebesugawa to possess the requisite qualifications to be nominated for appointment to the Hawaii Civil Rights Commission.

JOAN LEWIS

Your Committee received testimony in support of the nomination for the appointment of Joan Lewis from the Hawai'i Civil Rights Commission.

Ms. Lewis currently serves as the Head of the English Language Department at Kapolei High School as well as the Lead English Teacher for the Ho'ōla Leadership Academy at Kapolei High School. She is a Kapolei Outstanding Achievement in Education Awardee in recognition of her work in supporting teachers during their first five years of teaching as well as a National Education Association Foundation Hawaii Awardee, California Casualty Award for Teaching Excellence Honoree, and Pearson Foundation Global Learning Fellow.

Ms. Lewis plays an active role with the Hawaii State Teachers' Association (HSTA). As a trainer for HSTA, she provides training to teachers and community members on topics, such as poverty, local culture, traits of adolescents, learning styles, Moena Ha, and working with parents, that impact the relationship between student and teacher, and student success. She previously served as the State Vice President of HSTA as well as the Chapter President for HSTA Leeward Chapter. She has served as a Trustee of the Hawaii Education Association, Trust Chairperson of the HSTA Voluntary Employee Benefits Association, and Board Member of the Education Institute of Hawai'i.

According to written testimony submitted in support of Ms. Lewis' nomination for appointment, she brings a wealth of experience and expertise to the Civil Rights Commission and has a demonstrated commitment to civil rights for the people of Hawaii. Her background in education and unionized labor will add a valuable perspective to the work of the Commission.

LIANN EBESUGAWA

Your Committee received testimony in support of the nomination for the appointment of Liann Ebesugawa from the Hawai'i Civil Rights Commission; Japanese American Citizens League, Honolulu Chapter; and seven individuals.

Ms. Ebesugawa currently serves as the Associate General Counsel for Hawaiian Electric Company, Inc., where she provides legal support to personnel and management from various process areas and advises personnel and management to obtain regulatory approval of various generation and distribution projects. Of her previous positions, she most notably served as the Executive Director of the Hawaii State Board of Education, where she served in legal and administrative capacities for all matters before or involving the Board of Education.

Ms. Ebesugawa has extensive community service experience, including currently serving as the Second Vice President of the Honolulu Chapter of the Japanese American Citizens League's Board of Directors. During her tenure as the League's past Board President, she addressed complex issues related to marriage equality, homelessness, Native Hawaiian self-determination, and many other civil rights issues that face the community. She also currently serves as Vice President and Director for the Board of Directors of the National Asian Pacific American Bar Association and has extensive involvement with Aloha United Way. She has co-authored several academic publications regarding privacy in the workplace, Japanese American redress, and racial discrimination.

According to written testimony submitted in support of Ms. Ebesugawa's nomination for appointment, she brings a wealth of experience and expertise to the Civil Rights Commission and has a demonstrated commitment to civil rights for the people of Hawaii. Her work in the areas of law, business, government service, education, and civil rights advocacy will add valuable perspectives to the work of the Commission.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1668 Judiciary and Labor on Gov. Msg. Nos. 623 and 624

Recommending that the Senate advise and consent to the nominations of the following:

DEFENDER COUNCIL

G.M. No. 623 CRAIG DE COSTA, for a term to expire 06-30-2019; and

G.M. No. 624 STANTON OSHIRO, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Craig De Costa and Stanton Oshiro to possess the requisite qualifications to be nominated to the Defender Council.

CRAIG DE COSTA

Your Committee received testimony in support of the nomination for appointment of Craig De Costa from the Office of the Public Defender and three individuals.

Mr. De Costa currently serves as Partner at De Costa Hempey Meyers LLC, where he focuses his practice of law in the areas of criminal defense, landlord-tenant disputes, debt collection, administrative hearings, and other civil litigation matters. He previously served as the elected Prosecuting Attorney for the County of Kauai.

According to testimony submitted in support of Mr. De Costa's nomination for appointment, his background and career experience have given him an extensive understanding of the criminal justice system and the Public Defender's essential role in that system. If appointed to the Defender Council, Mr. De Costa will assist the Office of the Public Defender in fulfilling its mission of zealous and effective representation of indigent persons charged with criminal offenses and will be a valuable asset in representing the County of Kauai on the Defender Council.

STANTON OSHIRO

Your Committee received testimony in support of the nomination for appointment of Stanton Oshiro from the Office of the Public Defender.

Mr. Oshiro is the sole practitioner of his own private law practice that focuses exclusively on criminal defense. He currently serves as a defense bar representative on the Big Island Multi Agency Committee, criminal defense private bar representative on the Big Island Bench Bar Committee, and criminal defense bar representative for the Island of Hawaii on the Statewide Bench-Bar Committee.

According to testimony submitted in support of Mr. Oshiro's nomination for appointment, his decades-long experience in criminal defense work has given him an extensive understanding of the criminal justice system and the Public Defender's essential role in that system. If appointed to the Defender Council, Mr. Oshiro will assist the Office of the Public Defender in fulfilling its mission of zealous and effective representation of indigent persons charged with criminal offenses and will be a valuable asset in representing the County of Hawaii on the Defender Council.

As affirmed by the records of votes of the members of your Committee on Judiciary and Labor that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

For Gov. Msg. No. 623: Ayes, 4. Noes, none. Excused, 1 (Kim).

For Gov. Msg. No. 624: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1669 Judiciary and Labor on Gov. Msg. Nos. 790 and 791

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 790 MARILYN LEE, for a term to expire 06-30-2021; and

G.M. No. 791 JUDY KERN, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Marilyn Lee and Judy Kern to possess the requisite qualifications to be nominated for reappointment to the Commission on the Status of Women.

MARILYN LEE

Your Committee received testimony in support of the nomination for the reappointment of Marilyn Lee from the Hawaii State Commission on the Status of Women, Crime Victim Compensation Commission, Board of Directors of the Friends of the Missing Child Center, and twelve individuals.

Ms. Lee 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.

Of particular note, 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 in 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.

Testimony in support of Ms. Lee's nomination for reappointment 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. If appointed to the Commission on the Status of Women for a second term, her skills as an administrator, educator, and nurse coupled with her strong commitment to advancing the rights of women and girls will continue to help the Commission to fulfill its mandate to strengthen the role of women and promote the interests of girls residing in Hawaii.

JUDY KERN

Your Committee received testimony in support of the nomination for the reappointment of Judy Kern from the Hawaii State Commission on the Status of Women and three individuals.

Ms. Kern currently serves as the Acting Branch Co-Chief and Education and Training Coordinator for the Public Health 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 and Hawaii People's Fund.

Testimony in support of Ms. Kern's nomination for reappointment indicates that she is passionate about human rights and has a deep understanding of local, national, and global issues related to social justice. If appointed to the Commission on the Status of Women for a second term, 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 continue to help the Commission to fulfill its mandate to strengthen the role of women and promote the interests of girls residing in Hawaii.

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 (Thielen).

SCRep. 1670 Education on Gov. Msg. Nos. 728, 729, and 730

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII TEACHERS STANDARDS BOARD

G.M. No. 728 KARIANE PARK-TOYAMA, for a term to expire 06-30-2021;

G.M. No. 729 TRACEY IDICA, for a term to expire 06-30-2021; and

G.M. No. 730 JONATHAN KISSIDA, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kariane Park-Toyama, Tracey Idica, and Jonathan Kissida to possess the requisite qualifications to be nominated to the Hawaii Teacher Standards Board.

KARIANE PARK-TOYAMA

Your Committee received testimony in support of the nomination for the reappointment of Kariane Park-Toyama from the Hawaii Teacher Standards Board.

Upon review of the testimony, your Committee finds that Ms. Park-Toyama's experience as an educator and her dedication to high educational standards also qualify her to be nominated for reappointment to the Hawaii Teacher Standards Board. Your Committee notes that Ms. Park-Toyama has worked in Hawaii's public school system for over fifteen years, and has served in various school and district level leadership positions including Committee Chairperson, Grade Level Chairperson, and Union Chapter Treasurer. Ms. Park-Toyama also currently serves on the Hawaii Teacher Standards Board as a member of the Legislative and Teacher Education Committees. Your Committee finds that Ms. Park-Toyama's experience as a leader and commitment to accountability and excellence in education will continue to be great assets to the Hawaii Teacher Standards Board.

TRACEY IDICA

Your Committee received testimony in support of the nomination of Tracey Idica from the Hawaii Teacher Standards Board.

Upon review of the testimony, your Committee finds that Ms. Idica's extensive experience as an educator and her commitment to providing high quality teaching for Hawaii's students also qualify her to be nominated for appointment to the Hawaii Teacher Standards Board. Your Committee notes that Ms. Idica has been a teacher for thirty-five years, and a teacher in Hawaii public schools for twenty-six years. Ms. Idica has also worked extensively with student teachers and early career teachers, and has taken on numerous education leadership responsibilities throughout her career. Ms. Idica is a longtime National Board for Professional Teaching Standards (NBPTS) teacher and a leader in Hawaii's support network for aspiring NBPTS candidates. She has also been recognized by numerous state and national organizations for excellence in teaching, including the Hawaii State Teachers Association and the National

Education Association Foundation. Your Committee finds that Ms. Idica's experience as an educator and leader in teaching excellence will be great assets to the Hawaii Teacher Standards Board.

JONATHAN KISSIDA

Your Committee received testimony in support of the nomination of Jonathan Kissida from the Hawaii Teacher Standards Board.

Upon review of the testimony, your Committee finds that Mr. Kissida's experience as an educator and administrator qualifies him to be nominated for appointment to the Hawaii Teacher Standards Board. Your Committee notes that Mr. Kissida has worked as an education professional for sixteen years in a variety of roles, including teaching and administrative positions in elementary, intermediate, and high schools, and in schools serving a broad range of socioeconomic communities. Mr. Kissida has also previously served on the Hawaii Teacher Standards Board as Vice Chairperson, and led a sweeping revision of the Board's Administrative Rules to update licensing requirements. Your Committee finds that Mr. Kissida's experience as an education professional and his leadership in teaching excellence will be great assets to the Hawaii Teacher Standards Board.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1671 Education on Gov. Msg. Nos. 746 and 747

Recommending that the Senate advise and consent to the nominations of the following:

EDUCATION COMMISSION OF THE STATES

G.M. No. 746 ALAN OSHIMA, for a term to expire 06-30-2018; and

G.M. No. 747 JOAN HUSTED, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alan Oshima and Joan Husted to possess the requisite qualifications to be nominated to the Education Commission of the States.

ALAN OSHIMA

Your Committee received testimony in support of the nomination for the appointment of Alan Oshima from the Hawaii Institute for Public Affairs, Chamber of Commerce Hawaii, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Oshima's experience as an attorney, executive, and administrative professional also qualify him to be nominated for appointment to the Education Commission of the States. Your Committee notes that Mr. Oshima has an extensive history of service with organizations and bodies devoted to the benefit of Hawaii's public schools and public school students, including Hawaii 3R's, Hawaii Institute of Public Affairs, and the Governor's Every Student Succeeds Act Team. Mr. Oshima has also previously served as one of the six Hawaii Commissioners on the Education Commission of the States. Your Committee finds that Mr. Oshima's expertise and commitment to the interests of Hawaii's public school students will be great assets to the Education Commission of the States.

JOAN HUSTED

Your Committee received testimony in support of the nomination for the reappointment of Joan Husted from the Hawaii Institute for Public Affairs.

Your Committee finds that Ms. Husted's experience as an education professional, administrator, and advocate also qualify her to be nominated for reappointment to the Education Commission of the States. Your Committee notes that Ms. Husted's career in education stretched from 1971 to 2007, at which point she retired as the Hawaii State Teacher Association's Executive Director and Chief Negotiator. Ms. Husted served as a negotiator for Hawaii State Teachers Association throughout her career, and was the teacher negotiator for the first statewide teacher collective bargaining agreement in the United States. Ms. Husted has also served on numerous boards and public service bodies throughout her professional career and since her retirement, including the Hawaii State Commission on the Status of Women, Industrial Relations Research Association, and Education Institute of Hawaii. Ms. Husted is also currently serving as a Commissioner on the Education Commission of the States. Your Committee finds that Ms. Husted's extensive expertise in education administration and policy and her commitment to the interests of Hawaii's public school students will continue to be great assets to the Education Commission of the States.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1672 Education on Gov. Msg. Nos. 772, 773, 774, 775, 776, and 777

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF EDUCATION

G.M. No. 772 BRIAN DE LIMA, for a term to expire 06-30-2017;

G.M. No. 773 BRIAN DE LIMA, for a term to expire 06-30-2020;

- G.M. No. 774 KENNETH UEMURA, for a term to expire 06-30-2019;
G.M. No. 775 CHRISTINE NAMAU‘U, for a term to expire 06-30-2020;
G.M. No. 776 NOLAN KAWANO, for a term to expire 06-30-2017; and
G.M. No. 777 NOLAN KAWANO, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Brian De Lima, Kenneth Uemura, Christine Namau‘u, and Nolan Kawano to possess the requisite qualifications to be nominated to the Board of Education.

BRIAN DE LIMA

Your Committee received testimony in support of the nomination for the appointment and reappointment of Brian De Lima from the Ka Haka ‘Ula O Ke‘elikōlani College of Hawaiian Language at the University of Hawai‘i at Hilo, Hui for Excellence in Education, and seven individuals.

Upon review of the testimony, your Committee finds that Mr. De Lima’s extensive legislative and litigation experience, consistent strong advocacy for high-needs students, and history of dedicated service to all of Hawai‘i’s students also qualify him to be nominated for appointment and reappointment to the Board of Education. Your Committee notes that Mr. De Lima has demonstrated a commitment to providing services to those least able to afford services, and that he continues to provide pro bono legal services for family law clients and participates in the Hawaii Lawyers Care family law clinics. Your Committee further notes that Mr. De Lima has served on the Board of Education since 2010, and that the Board has benefitted from his expertise and perspective, as well as his ability to recognize and address problems within the Hawaii public school system, such as chronic absenteeism. Your Committee finds that Mr. De Lima’s expertise and his commitment to the needs of Hawai‘i’s students will continue to be great assets to the Board of Education.

KENNETH UEMURA

Your Committee received testimony in support of the nomination for the reappointment of Kenneth Uemura from the Hawaii Institute for Public Affairs; Hui for Excellence in Education; Continental Mechanical of the Pacific; Benefits International, Inc.; and thirty-two individuals.

Upon review of the testimony, your Committee finds that Mr. Uemura’s extensive leadership experience in Hawai‘i’s business and public service communities also qualify him to be nominated for reappointment to the Board of Education. Your Committee notes that Mr. Uemura has been publicly recognized for excellence throughout his professional career, particularly in his previous role as Vice President and Chief Financial Officer of Hawai‘i Pacific University. Mr. Uemura also has a long history of dedicated service on non-profit boards and community organizations. Your Committee further notes that Mr. Uemura is currently serving on the Board of Education, and that the Board has benefitted from his professional leadership experience. Your Committee finds that Mr. Uemura’s expertise and his commitment to the needs of Hawai‘i’s students will continue to be great assets to the Board of Education.

CHRISTINE NAMAU‘U

Your Committee received testimony in support of the nomination of Christine Namau‘u from the Office of Hawaiian Affairs; Early Childhood Associate Degree Program of the University of Hawaii Maui College; Hui No Ke Ola Pono; ‘Aha Kauleo, Aha Pūnana Leo; Native Hawaiian Education Council; Hui for Excellence in Education; Nā Leo Pūlama o Maui, Inc.; Papa Ola Lokahi; and thirty-four individuals.

Upon review of the testimony, your Committee finds that Ms. Namau‘u’s extensive education and administrative experience also qualify her to be nominated for appointment to the Board of Education. Your Committee notes that Ms. Namau‘u has served for the past twenty-five years as the Director of Pūnana Leo o Maui, one of the preschools in the statewide ‘Aha Pūnana Leo program. Ms. Namau‘u also serves as a member of the National Association for the Education of Young Children, Maui Native Hawaiian Chamber of Commerce, and the community member of the School Community Council for King Kekaulike High School. Your Committee finds that Ms. Namau‘u’s expertise in education and commitment to the needs of Hawai‘i’s students will be great assets to the Board of Education.

NOLAN KAWANO

Your Committee received testimony in support of the nomination for the reappointment of Nolan Kawano from the Chamber of Commerce Hawaii, Hui for Excellence in Education, International Longshore and Warehouse Union Local 142, Center for Tomorrow’s Leaders, and six individuals.

Upon review of the testimony, your Committee finds that Mr. Kawano’s extensive business and educational service experience also qualify him to be nominated for reappointment to the Board of Education. Your Committee notes that Mr. Kawano has been active since 2005 within the Public Schools of Hawaii Foundation, which provides public school teachers in Hawaii with Good Idea Grants for materials and supplies used to engage, excite, and educate students, including serving as the Foundation’s president from 2009 to 2014. Mr. Kawano has also served as Director and Treasurer of Hawaii 3R’s, which works to repair, remodel, and restore public schools in Hawaii, since 2011. Your Committee finds that Mr. Kawano’s expertise and dedication to the needs of Hawai‘i’s students will continue to be great assets to the Board of Education.

As affirmed by the records of votes of the members of your Committee on Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1673 Agriculture and Environment on Gov. Msg. Nos. 731, 825, 826, and 827

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

- G.M. No. 731 TAMMY MURRAY, for a term to expire 06-30-2020;
 G.M. No. 825 CYNTHIA REZENTES, for a term to expire 06-30-2019;
 G.M. No. 826 REGINALD HASEGAWA, for a term to expire 06-30-2021; and
 G.M. No. 827 JASON MISAKI, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Tammy Murray, Cynthia Rezentes, Reginald Hasegawa, and Jason Misaki to possess the requisite qualifications to be nominated to the Advisory Committee on Pesticides.

TAMMY MURRAY

Your Committee received testimony in support of the nomination for the appointment of Ms. Tammy Murray from the Department of Agriculture, Hawaii Pest Control Association, and one individual.

Upon review of the testimony, your Committee finds that Ms. Murray's professional experience and background in the pesticide industry also qualify her to be nominated for appointment to the Advisory Committee on Pesticides. Your Committee notes that Ms. Murray works for Aloha Termite & Pest Control, Inc., and serves as the President of the Hawaii Pest Control Association. She has over fifteen years of experience in the termite and pest control industry, including experience with the use, application, and regulation of pesticides in Hawaii. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Murray will be an asset to the Advisory Committee on Pesticides.

CYNTHIA REZENTES

Your Committee received testimony in support of the nomination for the appointment of Ms. Cynthia Rezentes from the Department of Agriculture and four individuals.

Upon review of the testimony, your Committee finds that Ms. Rezentes's professional experience and background in land conservation and watershed management also qualify her to be nominated for appointment to the Advisory Committee on Pesticides. Your Committee notes that Ms. Rezentes currently serves on the Environmental Protection Agency's National Environmental Justice Advisory Council and previously served on the Advisory Committee on Pesticides, at which time she assisted with updating and revising administrative rules. She serves on the Wai'anae Coast Neighborhood Board No. 24; Nanakuli-Ma'ili Neighborhood Board No. 36; O'ahu Resource, Conservation, and Development Council, Inc.; Hui Malama o Kane'aki; Mohala I Ka Wai; Ka Papa O Kakuhihewa Council; and O'ahu Land Trust/Hawaiian Islands Land Trust. Based on her knowledge, experience, and commitment to public service, your Committee finds that Ms. Rezentes will be an asset to the Advisory Committee on Pesticides.

REGINALD HASEGAWA

Your Committee received testimony in support of the nomination for the appointment of Mr. Reginald Hasegawa from the Department of Agriculture; Hawaii Agriculture Research Center; Hawai'i Farm Bureau; Hawaii Coffee Association; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Ponoholo Ranch, Limited; and thirty-nine individuals.

Upon review of the testimony, your Committee finds that Mr. Hasegawa's professional experience and background in the agriculture input supply industry also qualify him to be nominated for appointment to the Advisory Committee on Pesticides. Your Committee notes that Mr. Hasegawa is the Location Manager for Crop Production Services, Inc., and has worked in the agricultural industry for several decades. He is a member of the Hawai'i Farm Bureau, Hawaii Tropical Fruit Growers, Hawaii Coffee Association, Hawaii Papaya Industry Association, Hawaii Export Nursery Association, Hawaii Orchid Growers Association, Hawaii Florists' and Shippers' Association, Hawaii Crop Improvement Association, and Hawaii Organic Farmers Association. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Hasegawa will be an asset to the Advisory Committee on Pesticides.

JASON MISAKI

Your Committee received testimony in support of the nomination for the reappointment of Mr. Jason Misaki from the Department of Agriculture and one individual.

Upon review of the testimony, your Committee finds that Mr. Misaki's professional experience and background in wildlife management and biology also qualify him to be nominated for reappointment to the Advisory Committee on Pesticides. Your Committee notes that Mr. Misaki is the Wildlife Program Manager for the Department of Land and Natural Resources Division of Forestry and Wildlife, Oahu Branch, and has over ten years' experience in managing wildlife sanctuaries, forest reserves, game management areas, and seabird sanctuaries. He currently serves on the Advisory Committee on Pesticides. Based on his knowledge, experience, and commitment to public service, your Committee finds that Mr. Misaki will continue to be an asset to the Advisory Committee on Pesticides.

As affirmed by the records of votes of the members of your Committee on Agriculture 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 (Nishihara, Ruderman).

SCRep. 1674 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 537

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE HAWAII PAROLING AUTHORITY

G.M. No. 537 EDMUND HYUN, for a term to expire 06-30-2020

Your Committee has reviewed the resume and testimony submitted by the nominee and finds Edmund Hyun to possess the requisite qualifications to be nominated as Chairperson of the Hawaii Paroling Authority.

Your Committee received testimony in support of the nomination of Edmund Hyun from the Hawaii Paroling Authority; Department of Public Safety; Ho'omana Pono, LLC; and twenty-four individuals.

Upon review of the testimony, your Committee finds that Mr. Hyun's background, experience, and dedication to public service also qualify him for nomination as Chairperson of the Hawaii Paroling Authority. Your Committee notes that Mr. Hyun has had a long and distinguished career working in Hawaii's criminal justice system dating back to 1972. During his career, Mr. Hyun served as a Youth Correctional Officer, Juvenile Parole Administrator, and Court Unit Supervisor for the State of Hawaii. Following his retirement from the Department of Public Safety in 2013, Mr. Hyun has continued to work in public safety-related positions, including working with the Honolulu Liquor Commission. In addition, since August 2016, Mr. Hyun has served with distinction as the interim Chairperson of the Hawaii Paroling Authority. During that time, Mr. Hyun has overseen approximately 1,900 parole hearings. Moreover, under Mr. Hyun's direction, the Paroling Authority has significantly increased the number of in-person hearings conducted and the scheduling of hearings for inmates previously denied parole. Accordingly, your Committee finds that Mr. Hyun has the necessary experience, leadership skills, and dedication to public service that will make him a great asset as Chairperson of the Hawaii Paroling Authority.

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, 5. Noes, none. Excused, none.

SCRep. 1675 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 760

Recommending that the Senate advise and consent to the nomination of the following:

COMPACT ADMINISTRATOR OF THE STATE COUNCIL FOR THE INTERSTATE COMPACT FOR JUVENILES

G.M. No. 760 NATHAN FOO, for a term to expire 06-30-2018 (Compact Administrator added as a title by GM831)

Your Committee has reviewed the resume submitted by the nominee and finds Nathan Foo to possess the requisite qualifications to be nominated to the position of Compact Administrator for the State Council for the Interstate Compact for Juveniles.

Your Committee received testimony in support of the nomination of Nathan Foo from the Judiciary, State of Hawai'i.

Upon review of the testimony, your Committee finds that Mr. Foo's experience and commitment to public service also qualify him for nomination as Compact Administrator for the State Council for the Interstate Compact for Juveniles. Your Committee notes that Mr. Foo has extensive experience of more than thirty years working as a social services manager, supervisor, court officer, and probation officer for the State's family court. Through that work, Mr. Foo has counseled, managed, and supervised many juveniles processed through the court system. Mr. Foo is currently the Social Services Manager for the Juvenile Client Services Branch of the Family Court of the First Circuit, where he oversees juvenile services. Prior to his work in family court, Mr. Foo was a social worker in the Protective Services Intake Unit of the Department of Human Services' Child Protective Services and Catholic Charities of Hawaii. As a social worker, Mr. Foo provided counseling and support to minors in difficult family situations and those who were the victims of child abuse. Your Committee finds that Mr. Foo's vast experience working with juveniles is a great asset and will make him an excellent nominee for Compact Administrator for the State Council for the Interstate Compact for Juveniles.

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, 5. Noes, none. Excused, none.

SCRep. 1676 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 758

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL FOR THE INTERSTATE COMPACT FOR ADULTS

G.M. No. 758 DENNIS DUNN, for a term to expire 06-30-2018

Your Committee has reviewed the resume submitted by the nominee and finds Dennis Dunn to possess the requisite qualifications to be nominated to the State Council for the Interstate Compact for Adults.

Your Committee received testimony in support of the nomination of Dennis Dunn from the Prosecuting Attorney of the City and County of Honolulu.

Upon review of the testimony, your Committee finds that Mr. Dunn's experience, background, and commitment to public service and victims' rights and assistance also qualify him for nomination to the State Council for the Interstate Compact for Adults. Your Committee notes that Mr. Dunn is the Director of the Victim Witness Assistance Division of the City and County of Honolulu Department of the Prosecuting Attorney. In addition, Mr. Dunn has an extensive history of community service and has been a long-time advocate for crime victims. Mr. Dunn has served as a member of the Domestic Violence Task Force, Hawaii State Coalition Against Domestic Violence Board, Mothers Against Drunk Driving Advisory Board, Sex Abuse Treatment Center Advisory Board, Hawaii Supreme Court Committee on Certification of Court Interpreters, Missing Child Center Hawaii Advisory Board, and Kailua Neighborhood Board. Your Committee finds that Mr. Dunn's lifelong dedication to public service and community building will be a great asset to the State Council for the Interstate Compact for Adults.

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, 5. Noes, none. Excused, none.

SCRep. 1677 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 759

Recommending that the Senate advise and consent to the nomination of the following:

STATE COUNCIL FOR THE INTERSTATE COMPACT FOR JUVENILES

G.M. No. 759 DENNIS DUNN, for a term to expire 06-30-2018

Your Committee has reviewed the resume submitted by the nominee and finds Dennis Dunn to possess the requisite qualifications to be nominated to the State Council for the Interstate Compact for Juveniles.

Your Committee received testimony in support of the nomination of Dennis Dunn from the Prosecuting Attorney of the City and County of Honolulu.

Upon review of the testimony, your Committee finds that Mr. Dunn's experience, background, and commitment to public service and victims' rights and assistance also qualify him for nomination to the State Council for the Interstate Compact for Juveniles. Your Committee notes that Mr. Dunn is the Director of the Victim Witness Assistance Division of the City and County of Honolulu Department of the Prosecuting Attorney. In addition, Mr. Dunn has an extensive history of community service and has been a long-time advocate for crime victims. Mr. Dunn has served as a member of the Domestic Violence Task Force, Hawaii State Coalition Against Domestic Violence Board, Mothers Against Drunk Driving Advisory Board, Sex Abuse Treatment Center Advisory Board, Hawaii Supreme Court Committee on Certification of Court Interpreters, Missing Child Center Hawaii Advisory Board, and Kailua Neighborhood Board. Your Committee finds that Mr. Dunn's lifelong dedication to public service and community building will be a great asset to the State Council for the Interstate Compact for Juveniles.

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, 5. Noes, none. Excused, none.

SCRep. 1678 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 761

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 761 SANDRA EASTLACK, for a term to expire 06-30-2021

Your Committee has reviewed the resume submitted by the nominee and finds that Sandra Eastlack possesses the requisite qualifications to be nominated to the Crime Victim Compensation Commission.

Your Committee received testimony in support of the nomination of Sandra Eastlack from the Crime Victim Compensation Commission and four individuals.

Upon review of the testimony, your Committee finds that Ms. Eastlack's management skills and commitment to public service also qualify her for nomination to the Crime Victim Compensation Commission. Your Committee notes that Ms. Eastlack has vast managerial and oversight experience as evidenced through her work overseeing large government programs, nonprofit programs, and community care facilities. In addition, Ms. Eastlack has successfully collaborated with others on large fundraising and grant proposals. Moreover, Ms. Eastlack has demonstrated a continuing commitment to public service, as evidenced by her work with the Hawai'i Counselors Association, Hawai'i State Coalition Against Domestic Violence, O'ahu Domestic Violence Task Force, and Student Advocates Against Domestic Violence Community Council. Further, Ms. Eastlack is a former Commissioner of the Crime Victim Compensation Commission and is therefore intimately familiar with the duties and responsibilities of the Commission members. Your Committee finds that Ms. Eastlack's experience and dedication to helping others will be great assets to the Crime Victim Compensation 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, 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. 1679 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. Nos. 536, 620, 621, 693, 694, 695, 696, and 697

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII AEROSPACE ADVISORY COMMITTEE

- G.M. No. 536 MICHAEL JACOBS, for a term to expire 06-30-2019;
- G.M. No. 620 DONALD STRANEY, for a term to expire 06-30-2017;
- G.M. No. 621 DONALD STRANEY, for a term to expire 06-30-2021;
- G.M. No. 693 JACQUELINE HOOVER, for a term to expire 06-30-2021;
- G.M. No. 694 CHRISTINE GAYAGAS, for a term to expire 06-30-2019;
- G.M. No. 695 STEWART BURLEY, for a term to expire 06-30-2021;
- G.M. No. 696 REID NOGUCHI, for a term to expire 06-30-2021; and
- G.M. No. 697 RAYNALD BEDARD, for a term to expire 06-30-2019

Your Committee has reviewed the resumes submitted by the nominees and finds Michael Jacobs, Donald Straney, Jacqueline Hoover, Christine Gayagas, Stewart Burley, Reid Noguchi, and Raynald Bedard to possess the requisite qualifications to be nominated to the Hawaii Aerospace Advisory Committee.

MICHAEL JACOBS

Your Committee received testimony in support of the nomination for the appointment of Michael Jacobs from the Department of Business, Economic Development, and Tourism.

Upon review of the testimony, your Committee finds that Mr. Jacobs' extensive knowledge and experience working on various space launch and technologies programs also qualify him for nomination to the Hawaii Aerospace Advisory Committee. Your Committee notes that Mr. Jacobs serves as the Senior Director of Business Development for the Propulsion Systems Division of Orbital ATK. Previously, Mr. Jacobs served as the Deputy Program Director of Atlas Launch Operations for Lockheed Martin Space Systems Company and as part of the management team for the Crew Exploration Vehicle "Orion". Mr. Jacobs has also held several engineering and project management positions helping to develop technical enhancements for various projects including the Atlas V/Evolved Expendable Launch Vehicle and the Shuttle/Centaur and Titan/Centaur launch vehicles. In addition, Mr. Jacobs has co-published several papers on advanced space launch and unmanned aerial systems. Your Committee finds that Mr. Jacobs' vast experiences and technical expertise will be great assets to the Hawaii Aerospace Advisory Committee.

DONALD STRANEY

Your Committee received testimony in support of the nomination for the appointment and reappointment of Donald Straney from the Department of Business, Economic Development, and Tourism; Hawaii Island Economic Development Board; Pacific International Space Center for Exploration Systems; and two individuals.

Upon review of the testimony, your Committee finds that Mr. Straney's experience and commitment to community growth and progress and position as Chancellor of the University of Hawaii at Hilo also qualify him for consideration for reappointment to the Hawaii Aerospace Advisory Committee. Your Committee notes that Mr. Straney has had a long and distinguished career committed to higher education. Over the past three decades, Mr. Straney has served in a variety of administrative roles for universities across the country, including the University of Hawaii at Hilo where he serves as Chancellor. In addition, Mr. Straney has served on the Board of Directors of the Pacific International Space Center for Exploration Systems, or PISCES, since 2012. Further, your Committee has learned that, throughout his career, Mr. Straney has demonstrated a continuing commitment to serving larger societal and community goals through his service on numerous committees and memberships in numerous professional societies that work to promote the inclusion and advancement of underrepresented groups. Your Committee finds that Mr. Straney's connections, commitment to higher education, and experience will be great assets to the Hawaii Aerospace Advisory Committee.

JACQUELINE HOOVER

Your Committee received testimony in support of the nomination for the reappointment of Jacqueline Hoover from the Department of Business, Economic Development, and Tourism; Pacific International Space Center for Exploration Systems; and six individuals.

Upon review of the testimony, your Committee finds that Ms. Hoover's background, experience, and membership on the Hawaii Economic Development Board also qualify her for consideration for reappointment to the Hawaii Aerospace Advisory Committee. Your Committee notes Ms. Hoover is the former Interim Executive Director of the Natural Energy Laboratory of Hawaii Authority, a state agency attached to the Department of Business, Economic Development, and Tourism that operates an ocean science and technology park. In addition, Ms. Hoover has demonstrated an ongoing commitment to promoting progress in the State as evidenced by her service as Executive Director of the Hawaii Island Economic Development Board and President of the Hawaii Leeward Planning Conference, both of which are organizations committed to furthering balanced economic growth and sound planning. Moreover, during her career, Ms. Hoover has been responsible for helping to manage vast and expensive commercial construction projects, including the Hyatt Regency Waikoloa and all aspects of Kings' Shops, a 50,000 square foot upscale shopping resort. Your

Committee finds that Ms. Hoover's managerial experience and commitment to community progress will continue to be great assets to the Hawaii Aerospace Advisory Committee.

CHRISTINE GAYAGAS

Your Committee received testimony in support of the nomination for the appointment of Christine Gayagas from the Department of Business, Economic Development, and Tourism.

Upon review of the testimony, your Committee finds that Ms. Gayagas' management experience, relationship building skills, proven leadership, and membership on the Oahu Economic Development Board also qualify her for nomination to the Hawaii Aerospace Advisory Committee. Your Committee notes that Ms. Gayagas has an extensive management background. In recent years, Ms. Gayagas has owned and operated several consulting businesses in the State, including Gayagas Enterprises, LLC; First Canoe Strategies and Consulting, LLC; and MGMT Consulting, LLC, which focus on a variety of objectives such as building partnerships between private businesses and the Department of Defense and growing Hawaii's economy by retaining exported dollars and supporting sustainability. Prior to founding her own businesses, Ms. Gayagas was a Deputy Commander, Chief of Staff, and Multi-National Corps – Iraq Deputy C4/Logistics Readiness Center Chief in the United States Army where she supported thousands of troops and was responsible for establishing logistics plans in preparation of the first Iraqi elections following Operation Iraqi Freedom. Your Committee finds that Ms. Gayagas' military service, connections with the Department of Defense, and leadership and managerial skills will be great assets to the Hawaii Aerospace Advisory Committee.

STEWART BURLEY

Your Committee received testimony in support of the nomination for the reappointment of Stewart Burley from the Department of Business, Economic Development, and Tourism.

Upon review of the testimony, your Committee finds that Mr. Burley's extensive aerospace-related experience, commitment to community service, and membership on the Kauai Economic Development Board also qualify him for consideration for reappointment to the Hawaii Aerospace Advisory Committee. Your Committee notes that Mr. Burley is the Associate Director of the Hawaii Space Flight Lab, where he helped to launch CubeSat satellites and establish the first satellite launches out of Hawaii. Moreover, he served as a United States Navy Guided Missileman and later obtained more than one hundred flight hours in the backseat of the F-9 Cougar in Hawaiian airspace. In addition, Mr. Burley has long supported and promoted the State and its communities as demonstrated by his involvement in such organizations as the Kauai Chamber of Commerce, Kauai Economic Development Board, Friends of KCC, and Kauai Historical Society. Further, Mr. Burley currently serves on the Hawaii Aerospace Advisory Committee and is therefore intimately familiar with the responsibilities and duties associated with membership on the Committee. Accordingly, your Committee finds that Mr. Burley's aerospace knowledge and commitment to serving the local community will continue to be great assets to the Hawaii Aerospace Advisory Committee.

REID NOGUCHI

Your Committee received testimony in support of the nomination for the reappointment of Reid Noguchi from the Department of Business, Economic Development, and Tourism.

Upon review of the testimony, your Committee finds that Mr. Noguchi's engineering knowledge and experiences in the aerospace industry also qualify him for consideration for reappointment to the Hawaii Aerospace Advisory Committee. Your Committee notes that Mr. Noguchi attended the prestigious Massachusetts Institute of Technology where he obtained bachelor's and master's degrees in Aeronautical/Astronautical Engineering. Mr. Noguchi also helped design and analyze satellites for on-contract and new commercial space programs for Lockheed Martin. In addition, for much of his career, Mr. Noguchi has worked as a systems engineer and program and general manager for BAE Systems developing and demonstrating airborne intelligence, surveillance, and reconnaissance sensor systems. Further, Mr. Noguchi served on the Hawaii Aerospace Advisory Committee from 2013 to 2015 and is therefore intimately familiar with the responsibilities and duties associated with membership on the Committee. Therefore, your Committee finds that Mr. Noguchi's knowledge and experience will continue to be great assets to the Hawaii Aerospace Advisory Committee.

RAYNALD BEDARD

Your Committee received testimony in support of the nomination for the appointment of Raynald Bedard from the Department of Business, Economic Development, and Tourism.

Upon review of the testimony, your Committee finds that Mr. Bedard's extensive experience and knowledge in aerospace training and technology also qualify him for nomination to the Hawaii Aerospace Advisory Committee. Your Committee notes that Mr. Bedard serves as the President of True Course Simulations, LLC, which specializes in aerospace training and education, online training material development, and flight training missions development. In addition, for nearly fifteen years, Mr. Bedard has served as a college professor at Emory-Riddle Aeronautical University's College of Aviation where, along with winning several teaching awards, he created a minor course of study in Unmanned Aircraft Systems. Mr. Bedard was also a faculty member at the University of Hawaii at Hilo. In addition to his service in higher education, Mr. Bedard has further demonstrated his commitment to public service by acting as founding director of Boys to Men of North Central Arizona, a volunteer organization dedicated to mentoring and supporting boys in their transition into manhood. Accordingly, your Committee finds that Mr. Bedard's vast knowledge and dedication to public service will be great assets 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, 5. Noes, none. Excused, none.

SCRep. 1680 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 622

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS

G.M. No. 622 LUKE FLYNN, for a term to expire 06-30-2019

Your Committee has reviewed the resume submitted by the nominee and finds Luke Flynn to possess the requisite qualifications to be nominated to the Board of Directors of the Pacific International Space Center for Exploration Systems.

Your Committee received testimony in support of the nomination for the appointment of Luke Flynn from the Pacific International Space Center for Exploration Systems.

Upon review of the testimony, your Committee finds that Dr. Flynn's background and experience also qualify him for appointment to the Board of Directors of the Pacific International Space Center for Exploration Systems. Your Committee notes that Dr. Flynn has extensive experience as a leader in the aerospace industry. Dr. Flynn currently serves as the Director of the Hawaii Space Grant Consortium, Hawaii NASA EPSCoR Program, and Hawaii Space Flight Laboratory and is the principal investigator for the Low-Earth Orbit, Nanosatellite Integrated Defense Autonomous System. Dr. Flynn is also a member of the Executive Committee of the National Space Grant Program and a faculty Specialist and Associate Researcher for the University of Hawaii at Manoa. In his various roles, Dr. Flynn has demonstrated a commitment to enhancing opportunities for Hawaii residents and others to pursue space-related research careers. Dr. Flynn is also the author of forty peer-reviewed journal articles and more than sixty scientific abstracts. Accordingly, your Committee finds that Dr. Flynn's aerospace knowledge and dedication to public service will be great assets to the Board of Directors of the Pacific International Space Center for Exploration Systems.

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, 5. Noes, none. Excused, none.

SCRep. 1681 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 734

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 734 BRIDGET KOMINE, for a term to expire 06-30-2021

Your Committee has reviewed the resume submitted by the nominee and finds Bridget Komine to possess the requisite qualifications to be nominated for reappointment to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of the nomination for the reappointment of Bridget Komine from the State Office of Veterans' Affairs, Governor's Advisory Board for Veteran Services, and two individuals.

Upon review of the testimony, your Committee finds that Ms. Komine's experience, background, and commitment to serving veterans also qualify her for consideration for reappointment to the Advisory Board on Veterans' Services. Ms. Komine served in the United States Air Force and Hawaii Air National Guard for more than thirty years, and retired as a Chief Master Sergeant. Currently, she is the Assistant Director of the United States Department of Labor, Veterans Employment and Training Service, for Hawaii and Guam. As Assistant Director, she has helped to develop and sustain the Hawaii Hires Heroes program to ensure that veterans seeking job opportunities are connected with veteran-friendly employers. Additionally, Ms. Komine is a current member of the Advisory Board on Veterans' Services and has been a strong supporter of initiatives for female veterans. Your Committee finds that Ms. Komine's past military service, as well as her continued support of and commitment to serving veterans, will continue to be great assets 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, 5. Noes, none. Excused, none.

SCRep. 1682 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. Nos. 732 and 733

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII ADVISORY COUNCIL ON EMERGENCY MANAGEMENT

G.M. No. 732 SHELDON LEHMAN, for a term to expire 06-30-2021; and

G.M. No. 733 WILLIAM ANONSEN, for a term to expire 06-30-2021

Your Committee has reviewed the resumes submitted by the nominees and finds Sheldon Lehman and William Anonsen to possess the requisite qualifications to be nominated for reappointment to the Hawaii Advisory Council on Emergency Management.

SHELDON LEHMAN

Your Committee received testimony in support of the nomination for the reappointment of Sheldon Lehman from the Hawaii Emergency Management Agency and four individuals.

Upon review of the testimony, your Committee finds that Mr. Lehman's broad background in supporting emergency and consequence management efforts in Hawaii also qualify him for consideration for reappointment to the Hawaii Advisory Council on Emergency Management. Your Committee notes from the discussion at the hearing that as the Owner-Operator of Weldin Sheldon & Company, Mr. Lehman worked with Hawaii County Civil Defense to move homes during lava emergencies. Mr. Lehman has served as the Chief of the Hawaii County Volunteer Fire Department for more than twenty-five years and has completed the Hazardous Materials (HAZMAT) and other National Incident Management System (NIMS) courses. In addition, Mr. Lehman has admirably served as a member of the Hawaii Advisory Council on Emergency Management since 2013. Your Committee finds that Mr. Lehman's extensive experience, knowledge, and commitment to public service will continue to be assets to the Hawaii Advisory Council on Emergency Management.

WILLIAM ANONSEN

Your Committee received testimony in support of the nomination for the reappointment of William Anonsen from the Hawaii Emergency Management Agency; Chamber of Commerce Hawaii; Clean Energy Solutions; Group 70 International, Inc.; Hawaiian Electric Company, Inc.; Hawaii Public Charter Schools Network; Hawaii Transportation Association; Hawaii Fire Fighters Association, Local 1463, IAFF, AFL-CIO; Kai Hawaii; Outrigger Enterprises Group; Pacific Shipyards International; Sea Engineering, Inc.; Ulupono Initiative; and Rolf Advertising; and twenty-seven individuals.

Upon review of the testimony, your Committee finds that Mr. Anonsen's extensive working knowledge of all facets of the maritime transportation industry and emergency preparedness also qualify him for consideration for reappointment to the Hawaii Advisory Council on Emergency Management. Your Committee notes that Mr. Anonsen is currently the Managing Partner and Principal of The Maritime Group, LLC, a maritime consultancy firm, where he works with several emergency response, law enforcement, and non-profit organizations and has also served as the Vice Chair to the Maritime Committee of the Chamber of Commerce of Hawaii. Prior to his work with The Maritime Group, LLC, Mr. Anonsen served as the Director of Port Operations for Norwegian Cruise Lines. Mr. Anonsen's previous employment also includes serving as the Maritime Operations Specialist for the Department of Transportation; Vice President of Maritime Affairs and Training at 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 forty-two 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. Moreover, as the current chair of the Hawaii Advisory Council on Emergency Management, Mr. Anonsen has helped to ensure that processes and systems are in place to protect lives, as well as Hawaii's finite resources. Therefore, your Committee finds that Mr. Anonsen's continued membership on the Hawaii Advisory Council on Emergency Management will continue to be an asset to the Council.

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, 5. Noes, none. Excused, none.

SCRep. 1683 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. No. 538

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I PAROLING AUTHORITY

G.M. No. 538 FITUINA TUA, for a term to expire 06-30-2020

Your Committee has reviewed the resume submitted by the nominee and finds Fituina Tua to possess the requisite qualifications to be nominated for reappointment to the Hawaii Paroling Authority.

Your Committee received testimony in support of the nomination for the reappointment of Fituina Tua from the Hawai'i Paroling Authority, Department of Public Safety, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Tua's background and experience also qualify him for consideration for reappointment to the Hawaii Paroling Authority. Your Committee notes that Mr. Tua has had a distinguished career working in the criminal justice system. Mr. Tua has previously worked as an officer in the Massachusetts Correctional Institution, where he cared for and supervised over fifty inmates in a medium security unit. Mr. Tua has also served as a juvenile probation officer on two separate occasions and was a Senior United States Probation Officer for the United States District Court of the District of Hawaii. Further, Mr. Tua has dutifully served as a member of the Hawaii Paroling Authority since 2013 and has demonstrated his commitment to the responsibilities of the position. Your Committee finds that Mr. Tua would continue to be a great asset to the Hawaii Paroling Authority.

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, 5. Noes, none. Excused, none.

SCRep. 1684 Public Safety, Intergovernmental, and Military Affairs on Gov. Msg. Nos. 802 and 804

Recommending that the Senate advise and consent to the nominations of the following:

CORRECTIONAL INDUSTRIES ADVISORY COMMITTEE

G.M. No. 802 JON MATSUO, for a term to expire 06-30-2021; and

G.M. No. 804 DAVID MATSUURA, for a term to expire 06-30-2021 (term amended to 6-30-2020 by GM834)

Your Committee has reviewed the resumes submitted by the nominees and finds that Jon Matsuo and David Matsuura possess the requisite qualifications to be nominated to the Correctional Industries Advisory Committee.

JON MATSUO

Your Committee received testimony in support of the nomination for the reappointment of Jon Matsuo from the Department of Public Safety.

Upon review of the testimony, your Committee finds that Mr. Matsuo's knowledge and experience in executive coaching and leadership in the private and public sectors also qualify him for consideration for reappointment to the Correctional Industries Advisory Committee. Mr. Matsuo has taken on leadership roles at several professional consulting and coaching firms, including Jon MATSUO, LLC, which he founded and owns as Principal. Your Committee notes that Mr. Matsuo demonstrated, while working at the Department of Transportation, his ability to address challenges and issues with balance, competence, and integrity. Your Committee further finds that Mr. Matsuo's professional planning and project development skills and experience as a current member of the Correctional Industries Advisory Committee will continue to be great assets to the Committee, especially as the Committee begins strategic and organizational planning to become more financially viable.

DAVID MATSUURA

Your Committee received testimony in support of the nomination of David Matsuura from the Department of Public Safety.

Upon review of the testimony, your Committee finds that Mr. Matsuura's experience and commitment to public service also qualify him for nomination for appointment to the Correctional Industries Advisory Committee. Your Committee notes that from 1998 to 2002, Mr. Matsuura served as a Hawaii State Senator and chaired the Committee on Health and Human Services. Mr. Matsuura is from the Island of Hawaii and has considerable business experience in the private sector, particularly in agriculture and nursery operations, which are areas of strategic growth for Hawaii Correctional Industries. In addition, Mr. Matsuura is a past member of the Correctional Industries Advisory Committee and during that time proved valuable to the Committee in evaluating and assessing the correctional industries program in order to make improvements. Accordingly, your Committee finds that Mr. Matsuura's proven record of service and previous experience will make him a great asset to the Correctional Industries 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, 5. Noes, none. Excused, none.

SCRep. 1685 Education on Gov. Msg. Nos. 724, 725, 726, and 727

Recommending that the Senate advise and consent to the nominations of the following:

EARLY LEARNING ADVISORY BOARD

G.M. No. 724 MARI UEHARA, for a term to expire 06-30-2017;

G.M. No. 725 MARI UEHARA, for a term to expire 06-30-2019;

G.M. No. 726 EDELUISA BAGUIO-LARENA, for a term to expire 06-30-2018; and

G.M. No. 727 MAUREEN RAWLINS, for a term to expire 06-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Mari Uehara, Edeluisa Baguio-Larena, and Maureen Rawlins to possess the requisite qualifications to be nominated for appointment to the Early Learning Advisory Board.

MARI UEHARA

Your Committee received testimony in support of the nomination for the appointment and reappointment of Mari Uehara from the Early Learning Advisory Board and one individual.

Upon review of the testimony, your Committee finds that Dr. Uehara's experience as a pediatrician and her expertise in child development also qualify her to be nominated for appointment and reappointment to the Early Learning Advisory Board. Your Committee notes that Dr. Uehara has practiced as a pediatrician in Japan and the United States since 1989, and has made significant contributions to the literature of pediatric medicine. Dr. Uehara has been attending meetings of the Early Learning Advisory Board as a member of the public for the past year, and has demonstrated expertise and provided a valuable perspective on the issues considered by the Board. Your Committee finds that Dr. Uehara's experience as a pediatrician and her understanding of children's development from a physical and social context will continue to be great assets to the Early Learning Advisory Board.

EDELUIISA BAGUIO-LARENA

Your Committee received testimony in support of the nomination for the appointment of Edeluisa Baguio-Larena from the Department of Health and one individual.

Upon review of the testimony, your Committee finds that Ms. Baguio-Larena's administrative experience and expertise in child development also qualify her to be nominated for appointment to the Early Learning Advisory Board. Your Committee notes that Ms. Baguio-Larena is the Chief Executive Officer of Maui Family Support Services, Inc., a non-profit agency serving Maui County. In that capacity, she has supervised and supported staff providing home-based services to young children and their families, promoting a nurturing learning environment for children and facilitating healthy child development. Ms. Baguio-Larena has also served Hawaii's vulnerable young children as a social worker, clinical supervisor, and program supervisor for the Maui Family Support Services Early Head Start program. Your Committee finds that Ms. Baguio-Larena's extensive experience and commitment to the well-being of young children in Hawaii will be great assets to the Early Learning Advisory Board.

MAUREEN RAWLINS

Your Committee received testimony in support of the nomination for the reappointment of Maureen Rawlins from the Office of Hawaiian Affairs, Early Learning Advisory Board, 'Aha Pūnana Leo, Ka Haka 'Ula O Ke'elikōlani College of Hawaiian Language at the University of Hawai'i at Hilo, Native Hawaiian Education Council, and six individuals.

Upon review of the testimony, your Committee finds that Ms. Rawlins's extensive range of professional experiences in indigenous education and her dedication to community service also qualify her to be nominated for reappointment to the Early Learning Advisory Board. Your Committee notes that Ms. Rawlins has been involved in the development of preschool to twelfth grade indigenous learning for over thirty years, and is the co-founder and Vice President of the National Coalition of Native American Language Schools and Programs. Ms. Rawlins served as the Executive Director of the 'Aha Pūnana Leo program for eighteen years, and is intimately familiar with the concerns and needs of Hawaiian language medium early learning providers. Your Committee further notes that Ms. Rawlins has served on the Early Learning Advisory Board since 2012, as the representative of Hawaiian Medium Early Learning Providers. Your Committee finds that Ms. Rawlins' comprehensive expertise in indigenous education and commitment to the needs of Hawaii's children will continue to be great assets 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.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1686 International Affairs and the Arts on Gov. Msg. No. 754

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

G.M. No. 754 WILLIAM SOUZA, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Mr. William Souza to possess the requisite qualifications to be nominated for appointment to the Hawaii Historic Places Review Board.

Your Committee received testimony in support of the nomination for the appointment of Mr. Souza from the Department of Land and Natural Resources and one individual.

Your Committee finds that Mr. Souza has over forty-five years of experience serving communities throughout Hawaii and working to preserve Hawaiian culture and practices. Mr. Souza earned a Bachelor of Arts degree from Chaminade University of Honolulu. Mr. Souza has a broad array of professional experience including service as an Information Specialist for the Department of Labor and Industrial Relations and as a Media Consultant for the Department of Commerce and Consumer Affairs. Mr. Souza currently serves as the High Chief in the Royal Order of Kamehameha I, Hawaii Chapter 1; and as a member of the Board of Directors for Alu Like, Inc. He previously coordinated a Native Hawaiian program for Hawaiians to take tuition-free Hawaiian language and cultural courses at Leeward Community College. He also formerly served on the Hawaii Advisory Committee on State Office Buildings named for Alii, Hawaii Advisory Committee for the Art in the Leiopapa a Kamehameha building, and Hawaii Advisory Committee on Literacy programs at Leeward Community College. Upon review of the testimony, your Committee finds that Mr. Souza's professional experience and extensive background in the preservation of Hawaiian culture and arts qualify him for appointment to the Hawaii Historic Places Review Board.

As affirmed by the record of votes of the members of your Committee on International Affairs 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, 4. Noes, none. Excused, 1 (English).

SCRep. 1687 Water and Land on Gov. Msg. Nos. 718 and 719

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 718 GLENN BAUER, for a term to expire 06-30-2021; and

G.M. No. 719 SCOTT ROWLAND, for a term to expire 06-30-2021 (board name amended to Natural Area Reserves System Commission by GM743)

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and find Glenn Bauer and Scott Rowland to possess the requisite qualifications to be nominated to the Natural Area Reserves System Commission.

GLENN BAUER

Your Committee received testimony in support of the nomination for the appointment of Glenn Bauer from the Department of Land and Natural Resources, Sierra Club Of Hawai'i, and one individual.

Glenn Bauer received a Bachelor of Science degree in Geology from the University of Redlands and a Master of Science degree in Geology from the University of Hawaii at Manoa. Mr. Bauer has been self-employed as a Geologist since 2011, and prior to that was a Sr. Geologist at Mink & Yuen, Inc., from 2005 to 2011, Hawaii State Geologist at the Commission on Water Resource Management from 1999 to 2005, Geologist at the Commission on Water Resource Management from 1990 to 1999, and Geologist-Hydrologist at the Honolulu Board of Water Supply from 1970 to 1990. Mr. Bauer holds a Geologist license from Washington State, and is a member of numerous professional organizations.

Your Committee finds that the nominee has extensive experience applicable to serving on the Natural Area Reserves System Commission as a person possessing scientific qualifications as evidenced by an academic degree, as specified in section 195-6, Hawaii Revised Statutes. Testifiers commented on Mr. Bauer's extensive experience with the hydrology of the islands in his work as a Geologist-Hydrologist and participation in relevant boards and committees. The nominee indicated in his personal statement his desire to help Hawaii's natural environment from his perspective as a geologist and a life-long resident of the islands. The nominee also noted his extensive geologic and hydrologic fieldwork experience throughout the Hawaiian Islands and remote locations, and decades of observational experiences relevant to the work of the Commission. Your Committee finds that Mr. Bauer has the education, knowledge, and experience to serve effectively on the Natural Area Reserves System Commission.

SCOTT ROWLAND

Your Committee received testimony in support of the nomination for the appointment of Scott Rowland from the Department of Land and Natural Resources, Sierra Club Of Hawai'i, and four individuals.

Scott Rowland received a Bachelor of Science in Geology from Oregon State University and a Ph.D. in Geology & Geophysics from the University of Hawaii at Manoa. Since 2004, Dr. Rowland has been an Associate Specialist and then Specialist in the Department of Geology & Geophysics at the University of Hawaii at Manoa. Previously, Dr. Rowland was a Geologist for Dames & Moore, Instructor at Windward Community College, Laboratory Technician at United States Geological Survey, Geologist for Smith-Evennden Associates, and Instructor in the Department of Geology & Geophysics at the University of Hawaii. Dr. Rowland has also published numerous academic articles in his field.

Your Committee finds that the nominee has the required membership, experience, and background to serve on the Natural Area Reserves System Commission as an individual possessing membership in a hiking organization organized in the State, pursuant to section 195-6, Hawaii Revised Statutes. Testifiers commented that Dr. Rowland has been a long-time member of the Sierra Club of Hawai'i, and was one of the first leaders of the Hawaii Service Trip Program through the Hawaii Chapter of the Sierra Club, leading university-age students on summer trail building projects around the State. Dr. Rowland indicated in his personal statement that he was previously on the Commission from 2001 to 2009, as the geological representative, and he would once again be proud to serve on the Commission and help in efforts to protect the ecosystem. Dr. Rowland's specific goals while serving on the Commission include increasing the number of hiking trails and campsites in non-natural area reserve state lands to provide more opportunities for people to experience the outdoors and become better stewards of the environment, and working with other members of the Commission to establish one or more geological Natural Area Reserves. Your Committee finds that Dr. Rowland has the experience, knowledge, and background to successfully serve as the hiking organization member on the Natural Area Reserves System Commission.

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, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1688 Water and Land on Gov. Msg. No. 668

Recommending that the Senate advise and consent to the nomination of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 668 WENDY WILTSE, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Wendy Wiltse to possess the requisite qualifications to be nominated to the Legacy Land Conservation Commission.

Your Committee received testimony in support of the nomination for Wendy Wiltse from the Department of Land and Natural Resources, Maui Nui Marine Resource Council, and two individuals.

Wendy Wiltse received a Bachelor of Arts degree in Biology from Denison University, Master of Science degree in Marine Science from the University of New Hampshire, and Ph.D. in Zoology from the University of Massachusetts, Amherst. Dr. Wiltse recently retired from her position as a Senior Environmental Scientist after thirty-two years of employment with the Environmental Protection Agency (EPA). Prior to her long tenure at the EPA, Dr. Wiltse was an Assistant Professor at William College – Mystic Seaport Maritime Studies Program and a Postdoctoral Researcher at Woods Hole Oceanographic Institute. The nominee has also been a member of various working groups, committees, and organizations, including the Hawaii Coral Reef Working Group; United States

Coral Reef Task Force Steering Committee, Watershed Working Group, Climate Change and Ocean Acidification Working Group, and Injury and Mitigation Working Group; Hawaii Chapter of the Sierra Club; and The Nature Conservancy.

Your Committee finds that Dr. Wiltse has the education, experience, and commitment to land conservation to serve on the Legacy Land Conservation Commission as a member possessing scientific qualifications as evidenced by an academic degree, as specified in section 173A-2.4, Hawaii Revised Statutes. Testifiers commented on Dr. Wiltse's strong professional background at the EPA, where she assisted government agencies and nonprofit organizations with all aspects of resource management and protection, and her keen understanding of the laws, rules, criteria, and priorities that govern the Commission's work as evidenced during her prior years on the Commission. The nominee indicated in her personal statement that her recent service on the Commission as an interim member has been a fulfilling experience, and she believes in the Commission's mission to acquire, protect, and manage private lands for public trust purposes. Additionally, Dr. Wiltse expresses a desire to continue to serve her community in Hawaii after her lengthy career in federal government, and to put her years of knowledge and experience to constructive use. Your Committee finds that with her extensive experience, knowledge, and commitment to public service, Dr. Wiltse is and will continue to be an asset to 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, 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 (Inouye, Thielen).

SCRep. 1689 Judiciary and Labor on H.C.R. No. 153

The purpose and intent of this measure is to recognize April 15 through April 22, 2018, as Volunteer Week in Hawaii.

Your Committee received testimony in support of this measure from five individuals.

Your Committee finds that President Richard Nixon issued Presidential Proclamation 4288 in 1974, designating the first National Volunteer Week to recognize and encourage people to engage in their community through volunteer service. This measure recognizes Volunteer Week in Hawaii in conjunction with the observance of National Volunteer Week.

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 H.C.R. No. 153, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 153, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1690 International Affairs and the Arts on H.C.R. No. 25

The purpose and intent of this measure is to strongly urge the Hawaii Community Development Authority to keep, in perpetuity, the Ehime Maru Memorial at its present location at Kakaako Waterfront Park.

Your Committee received testimony in support of this measure from the Wahiawa-Waiialua Hiroshima Kenjin Kai, Ehime Maru Memorial Association, Saint Louis School, Honpa Hongwanji Mission of Hawaii, and four individuals. Your Committee received comments on this measure from Jesse K. Souki, Executive Director of the Hawaii Community Development Authority, in his individual capacity, and one individual.

Your Committee finds that the Ehime Maru Memorial at Kakaako Waterfront Park is a landmark of historical and cultural significance. The memorial is a reminder of the tragedy that occurred on February 9, 2001, when the United States Navy submarine U.S.S. Greenville was demonstrating an emergency surfacing maneuver and collided with the Ehime Maru, a Japanese fishing boat carrying students and teachers. As a result of the incident, the Ehime Maru sank and nine Japanese nationals, including four students and two teachers from the Uwajima Fisheries High School lost their lives. The people of Ehime Prefecture and the State of Hawaii regard the Ehime Maru Memorial as a solemn remembrance of the individuals who died that day. Your Committee further finds that the memorial should be protected from being used for certain permitted activities and maintained in its current location at Kakaako Waterfront Park and that any relocation of the memorial would be an affront to the nine individuals who died, their families, and the people of Japan and Hawaii.

As affirmed by the record of votes of the members of your Committee on International Affairs and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 25, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (English).

SCRep. 1691 Economic Development, Tourism, and Technology on H.C.R. No. 143

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to develop a master plan for the Hilo International Aerospace and Technology Park.

Your Committee received testimony in support of this measure from the Pacific International Space Center for Exploration Systems, County of Hawaii Mayor Harry Kim, and four individuals. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and High Technology Development Corporation.

Your Committee finds that the Department of Business, Economic Development, and Tourism, through the High Technology Development Corporation, has established a goal of creating 80,000 new jobs with salaries over \$80,000 in technology and innovation

by 2030. Your Committee also finds that the Hawaii Office of Aerospace Development, in the Department of Business, Economic Development, and Tourism, provides a focal point within the state government to coordinate Hawaii's aerospace, aeronautical, and aviation industries. Your Committee further finds that the collaboration of these agencies, alongside various other technology agencies in the State, to develop a master plan for the Hilo International Aerospace and Technology Park will support the long-term goals of job creation and technology innovation in the State.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143 and recommends that it be referred to your Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Baker).

SCRep. 1692 (Joint) Economic Development, Tourism, and Technology and Transportation and Energy on H.C.R. No. 113

The purpose and intent of this measure is to call on the federal government and states to lower costs for consumers, create more jobs, and reduce the impacts of climate change on the economy by replacing fossil fuels with renewable energy.

Your Committees received testimony in support of this measure from the Department of Transportation, Sierra Club of Hawaii, and two individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that human activity has caused an alarming increase in greenhouse gas emissions, such as carbon dioxide, primarily produced by the use of fossil fuels and recorded in measurements first taken at Mauna Loa, Hawaii, showing an approximate thirty percent increase in atmospheric carbon dioxide between 1958 and 2017. The increase in greenhouses gas emissions have similarly occurred across the country and have resulted in a rapidly warming globe. Progress toward Hawaii's one hundred percent renewable portfolio standard has meant an increase in renewable energy from nine percent of electricity generated in 2007 to twenty-five percent of electricity generated in 2017. The switch to renewable energy sources also results in savings on electricity costs and reduces fuel costs for Hawaii residents. Your Committees find that the federal government and states across the United States should also work to lower costs for consumers, create more jobs, and reduce impacts of climate change by replacing fossil fuels with renewable energy.

Your Committees note the suggestion by the Consumer Advocate to reference cost-effective renewable energy efforts in this measure, as the State would not want to encourage the adoption of renewable energy without also considering the costs.

As affirmed by the records of votes of the members of your Committees on Economic Development, Tourism, and Technology and Transportation and Energy that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 113, H.D. 1 and recommend that it be referred to your Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.
Economic Development, Tourism, and Technology: Ayes, 3. Noes, none. Excused, 2 (Baker, Taniguchi).
Transportation and Energy: Ayes, 3. Noes, none. Excused, 2 (Dela Cruz, English).

SCRep. 1693 (Majority) Judiciary and Labor on H.C.R. No. 125

The purpose and intent of this measure is to:

- (1) Request the State and its political subdivisions to recognize that immigration is a federal function;
- (2) Request local law enforcement agencies to decline to work with federal immigration agencies; and
- (3) Request that the State and its political subdivisions not expend state or county funds by entering into any agreements under section 287(g) of the Immigration and Nationality Act or any similar agreement with the United States Immigration and Customs Enforcement (ICE), or by engaging in any other law enforcement activities that collaborate with ICE or any other federal law enforcement agency in connection with the deportation of undocumented immigrants who have not been convicted of committing a violent crime.

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission; American Civil Liberties Union of Hawai'i; ACLU People Power; Filipino-Americans Advocacy Network; Filipino American Citizens League; Hawai'i Friends of Civil Rights; Hawaii J-20+; IMUAlliance; Japanese American Citizens League, Honolulu Chapter; Nursing Advocates & Mentors, Inc.; People Power; Planned Parenthood Votes Northwest and Hawaii; Muslim Association of Hawaii; African American Lawyers Association of Hawai'i; and forty-six individuals.

Your Committee finds that the traditional Hawaiian value of ho'okipa, or open-hearted hospitality, is customarily observed by the residents of Hawaii. Ho'okipa and the unique spirit of inclusiveness allow Hawaii's diverse population to live in relative harmony. However, allowing a state or local law enforcement agency to enter into a partnership with the Immigration and Customs Enforcement (ICE) division of the Department of Homeland Security to receive delegated authority for immigration enforcement within its respective jurisdiction under section 287(g) of the Immigration and Nationality Act is contrary to the traditional Hawaiian value of ho'okipa.

Your Committee notes the written testimony submitted by the American Civil Liberties Union of Hawai'i that indicates that Hawaii is one of only seven states that fully comply with ICE detainers. Your Committee further notes the concerns raised by the American Civil Liberties Union of Hawai'i that when local law enforcement agencies act as an extension of the immigration system, public trust is corroded, collaboration with federal immigration authorities is expensive, and deportation tears families apart. This measure ensures that the traditional Hawaiian value of ho'okipa is maintained in Hawaii.

Your Committee has amended this measure by:

- (1) Amending its title to also reflect that the purpose of this measure is to request local law enforcement agencies to decline to work with federal immigration authorities;
- (2) Deleting the Chief Justice from the list of recipients of a certified copy; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 125, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 125, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Gabbard). Excused, 1 (Kim).

SCRep. 1694 Judiciary and Labor on H.C.R. No. 56

The purpose and intent of this measure is to:

- (1) Request the Department of the Attorney General to conduct a study on surrogacy and gestational carrier agreements;
- (2) Specify areas for the Department to consider relating to surrogacy and gestational carrier agreements; and
- (3) Request the Department to prepare a report that includes findings and recommendations, including any proposed legislation, and submit the report to the Legislature no later than thirty days prior to the convening of the Regular Session of 2018.

Your Committee received testimony in support of this measure from the Hawaii Association of Health Plans, Hawaii Medical Service Association, University Health Alliance, and one individual.

Your Committee finds that surrogacy is a contractual relationship between two or more consenting adults in which a woman agrees to act as the surrogate or gestational carrier for the child of another person. While surrogacy does occur in Hawaii, it is not regulated and existing laws do not make specific reference to surrogacy or gestational carrier agreements, especially with regard to the legal custody of the child. By requesting the Department of the Attorney General to conduct a study on surrogacy and gestational carrier agreements, this measure will assist in addressing ambiguities that may exist regarding the issue of legal custody in such agreements.

Your Committee has amended this measure by:

- (1) Requesting that the Department of the Attorney General submit its report to the Legislature no later than twenty days, rather than thirty days, prior to the convening of the Regular Session of 2018; 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 concurs with the intent and purpose of H.C.R. No. 56, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 56, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1695 Judiciary and Labor on H.C.R. No. 148

The purpose and intent of this measure is to:

- (1) Request the Governor's Coordinator on Homelessness to convene a working group to examine and develop recommendations to address the issue of squatting in the State;
- (2) Identify the members of the working group and specify issues related to squatting for which the working group is requested to consider, examine, and develop recommendations and proposed legislation; and
- (3) Request the working group to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2018.

Your Committee did not receive any testimony on this measure.

Your Committee finds that squatting, or settling on land without title, right, or payment of rent, has become common in certain areas of the State and is a serious nuisance to owners of the property, adjoining landowners, and neighboring residents. Although Act 154, Session Laws of Hawaii 2016 (Act 154), authorizes a person to bring a civil suit for the unlawful occupation of real property to which the person has no title, lease, or other legal claim, this form of relief only addresses an existing nuisance condition and does not provide a means to prevent the nuisance from occurring. By requesting the Governor's Coordinator on Homelessness to convene a working group, this measure will assist in exploring and understanding the causes of squatting and its associated factors in order to effectively address the issue of squatting.

Your Committee has amended this measure by:

- (1) Adding language to clarify that Act 154 amended section 712-1270, Hawaii Revised Statutes, to include unlawful occupation of real property to which the person has no title, lease, or other legal claim as a nuisance subject to civil suit for abatement, prevention, and injunction; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As 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 H.C.R. No. 148, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 148, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1696 Judiciary and Labor on H.C.R. No. 104

The purpose and intent of this measure is to express the Legislature's support of the Standing Rock Sioux Tribe and its opposition to any actions, including the construction of the Dakota Access Pipeline, that threaten the Tribe, its access to clean water, the preservation of its sacred and important lands, and the continued existence of its culture, people, and nation.

Your Committee received testimony in support of this measure from the Progressive Democrats of Hawaii and one individual.

Your Committee finds that the Dakota Access Pipeline is a nearly 1,200-mile long pipeline designed to transport 470,000 barrels of crude oil daily across four states, from North Dakota to Illinois, where it links to another pipeline that transports crude oil to terminals and refineries along the Gulf of Mexico. A section of the Pipeline is designed to cross lands claimed by the Standing Rock Sioux Tribe, which contain sacred sites and Lake Oahe, the primary source of clean drinking water for the Standing Rock Sioux Tribe's reservation land. The construction, maintenance, and operation of the Pipeline are projected to have major disruptive effects on the supply of clean water and the preservation and use of lands and sites that are historically and culturally important to indigenous peoples located on or originating from the areas surrounding the Pipeline's route. This measure recognizes the critical importance of access to clean water, for practical and spiritual reasons, which is a value that is shared between the indigenous peoples of the American West and Native Hawaiians.

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 H.C.R. No. 104, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1697 (Majority) Judiciary and Labor on H.C.R. No. 50

The purpose and intent of this measure is to urge the United States Congress to convene a convention to propose amendments to the United States Constitution to restore free and fair elections.

Your Committee received testimony in support of this measure from five individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General; American Civil Liberties Union of Hawai'i; Americans for Democratic Action Hawai'i; Common Cause Hawaii; Community Alliance on Prisons; Democratic Party of Hawai'i; Hawaii State AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; League of Women Voters of Hawaii; Life of the Land; Progressive Democrats of Hawai'i; Sierra Club of Hawai'i; Wolf-PAC; and twenty-seven individuals. Your Committee received comments on this measure from the Convention of States Project Hawaii.

Your Committee finds that since the United States Supreme Court's decision in *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), numerous concerns have been raised regarding free and fair elections. This measure is intended as a continuing application to the United States Congress to convene a convention to propose amendments to the United States Constitution to restore free and fair elections.

Your Committee notes the concerns raised in testimony received in opposition to this measure that holding a constitutional convention under Article V of the United States Constitution could potentially open up each and every provision of the United States Constitution to amendment or repeal, rather than only addressing concerns regarding free and fair elections as a result of *Citizens United v. Federal Election Commission*. The Department of the Attorney General testified that the potential to open the entire federal constitution up for debate has prompted several states to recently rescind their applications calling for a federal constitutional convention.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the convention to consider a federal constitutional amendment is a limited-purpose convention to address issues raised as a result of the holding of *Citizens United v. Federal Election Commission*;
- (2) Authorizing the Legislature to retain the ability to restrict or expand the authority of its delegates to the limited-purpose convention under certain conditions by concurrent resolution;
- (3) Authorizing the Legislature to reserve the right to rescind its application by concurrent resolution;
- (4) Changing the title to more accurately 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 Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 50, H.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 50, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, 1 (Thielen). Excused, 1 (Kim).

SCRep. 1698 Water and Land on Gov. Msg. No. 762

Recommending that the Senate advise and consent to the nomination of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 762 HOKULANI HOLT-PADILLA, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Hokulani Holt-Padilla to possess the requisite qualifications to be nominated for reappointment to the Kaho'olawe Island Reserve Commission.

Your Committee received testimony in support of the nomination for the reappointment of Hokulani Holt-Padilla from the Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, and five individuals.

Ms. Holt-Padilla is currently the Director of Ka Hikina O Ka Lā and Coordinator of Hawai'i Papa O Ke Ao at the University of Hawaii Maui College. Ms. Holt-Padilla is also the Kumu Hula of Pā'ū O Hi'iaka, where she has taught traditional and contemporary hula, as well as Hawaiian history, culture, and language, since 1976. She has also been a Lecturer in Hawaiian language and culture at the University of Hawaii Maui College since 1992. Ms. Holt-Padilla has held a number of other notable positions in the community, including Cultural Programs Director at Maui Arts & Cultural Center from 2001 to 2015, Culture and Education Manager at Kaho'olawe Island Reserve Commission from 1997 to 2001, and Kaho'olawe Island Reserve Commission member since 2013. Ms. Holt-Padilla is involved in numerous community associations, and holds a Bachelor's degree in Liberal Studies and Human Relations in Organizations from the University of Hawaii.

Upon review of the testimony, your Committee finds that Ms. Holt-Padilla's experience, commitment to public service, proven leadership, and expertise in Hawaiian culture also qualify her to be nominated for reappointment to the Kaho'olawe Island Reserve Commission in the seat reserved for a representative recommended by Native Hawaiian organizations. Testifiers commented that the nominee brings to the Commission a great range and depth of experience and that during her time on the Commission, Ms. Holt-Padilla has been a leader on guiding and expanding the cultural use of the Kaho'olawe Island Reserve and has long been involved in the protection and restoration of Kaho'olawe. Testifiers also noted the nominee's immense contributions to the Hawaiian community and the general public throughout her long career. Ms. Holt-Padilla indicated in her personal statement her commitment to Kaho'olawe and belief that Kaho'olawe as a Hawaiian cultural and educational site is critical to the health and welfare of the Hawaiian people. Ms. Holt-Padilla also noted her long involvement in Kaho'olawe since 1980 and her desire to continue to serve on the Commission because she understands there is still much work to do.

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, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1699 Water and Land on Gov. Msg. No. 679

Recommending that the Senate advise and consent to the nomination of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 679 CHRISTOPHER BAKER, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Christopher Baker to possess the requisite qualifications to be nominated for reappointment to the Kaho'olawe Island Reserve Commission.

Your Committee received testimony in support of the nomination for the reappointment of Christopher Baker from the Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, Protect Kaho'olawe 'Ohana, Ka Haka 'Ula o Ke'elikōlani, and eleven individuals.

Dr. Christopher Baker holds a Bachelor of Arts in Hawaiian Language, Masters of Arts in Linguistics, and Ph.D. in Linguistics from the University of Hawai'i at Manoa, where he has been an Instructor of Hawaiian since 2002, and was a Lecturer in Hawaiian from 1996 to 2002. Additionally, Dr. Baker has served in a number of community positions, including President of the Halele'a Arts Foundation since 2012, member of the Kaho'olawe Island Reserve Commission since 2011, member of Protect Kaho'olawe 'Ohana since 1993, and since 2003 has been the leader of the Makahiki ceremony on Kaho'olawe.

Upon review of the testimony, your Committee finds that Dr. Baker's experience, commitment to public service, and proven leadership underscore his qualifications to be nominated for reappointment to the Kaho'olawe Island Reserve Commission. Testifiers commented that the nominee brings to the Commission an expertise in Hawaiian language and Hawaiian cultural traditions and that during his time on the Commission Dr. Baker has been a leader on guiding and expanding the cultural use of the Kaho'olawe Island Reserve and places great emphasis on ensuring safe and meaningful access to and from Kaho'olawe. Dr. Baker indicates in his personal statement his commitment to the people of Hawaii, Native Hawaiians, and ensuring in his position as Commissioner to act always for the benefit of Kaho'olawe. Dr. Baker also noted his ability to communicate the needs of the Kaho'olawe Island Reserve Commission and Protect Kaho'olawe Ohana. Your Committee further finds that Dr. Baker has been reappointed to the Kaho'olawe Island Reserve Commission to the seat designated for a member of Protect Kaho'olawe Ohana.

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, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1700 Water and Land on Gov. Msg. Nos. 662, 663, and 664

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 662 KEITH DOWNING, for a term to expire 06-30-2021;

G.M. No. 663 SAMUEL GON III, for a term to expire 06-30-2017; and

G.M. No. 664 SAMUEL GON III, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Keith Downing and Samuel Gon III to possess the requisite qualifications to be nominated to the Board of Land and Natural Resources.

KEITH DOWNING

Your Committee received testimony in support of the nomination of Keith Downing from the Department of Land and Natural Resources.

Keith Downing owns and operates Downing Hawaii, reportedly Hawaii's oldest surf shop, and has been a member of Surfing Education Association since 1973. Mr. Downing is the son of big-wave pioneer George Downing and a prize-winning big-wave rider and paddler who has been surfing since the age of five. Mr. Downing has a Bachelor of Arts in Commercial Art from California College of Arts.

Your Committee finds that Mr. Downing has the experience, background, and commitment to Hawaii's resources to qualify for appointment to an at-large seat on the Board of Land and Natural Resources. Testimony received by your Committee indicates that since being nominated to the Board in 2015, Mr. Downing has brought his passion, knowledge, respect for the ocean, and unique perspective based on his specific knowledge and family traditions to the wide-ranging matters that the Board must consider. The nominee indicated in his personal statement that serving on the Board has been a significant life experience and emphasizes the need for more community participation and engagement by the Board. Mr. Downing notes that he brings a distinct perspective to the Board due to his life experiences and sees his role on the Board as that of an educator, listener, and learner. Based on Mr. Downing's knowledge, experience, and commitment to the ocean and natural resources of the State, your Committee finds that Mr. Downing will continue to be an asset to the Board of Land and Natural Resources.

SAMUEL GON III

Your Committee received testimony in support of the nomination for the appointment and reappointment of Samuel Gon from the Department of Land and Natural Resources, The Nature Conservancy, Ocean Tourism Coalition, Sierra Club of Hawai'i, and twenty-two individuals.

Samuel Gon III received a Bachelor of Arts degree in Zoology from the University of Hawaii at Manoa, and a Master of Arts degree in Zoology and a Ph.D. in Animal Behavior from the University of California, Davis. Dr. Gon is the Senior Scientist and Cultural Advisor for The Nature Conservancy in Hawaii and has extensive teaching, research, and administrative experience. Dr. Gon has also published numerous academic articles in his field and is a member of several scientific societies.

Your Committee finds that Dr. Gon has the experience, background, and commitment to public service to qualify for appointment and reappointment to the Board of Land and Natural Resources for the Oahu seat and meets the requirements for an expert in natural resources and Hawaiian traditional and customary practices. Your Committee finds that the nominee previously served two four-year terms on the Board, stepped down in 2014, and is now eligible to serve two additional four-year terms. Testifiers commented that Dr. Gon brings broad knowledge of Hawaiian natural and cultural resources to the Board, extensive experience in Hawaiian ecology, and a demonstrated commitment to the protection of Hawaii's natural heritage. The nominee indicated in his personal statement that he found his prior service on the Board to be personally satisfying and was told by staff that they valued his contributions at the time. Dr. Gon noted that he is a born and raised member of the Third Land District. He also recounted his demonstrated expertise in Hawaiian traditional and customary practices as a kumu and a chanter trained by noted master John Keolamaka'ainana Lake and put through traditional 'uniki hu'e'lepo and as an 'imiloa devoted to life-long learning in Hawaiian language, tradition, and history. Based on Dr. Gon's knowledge, background, and commitment to Hawaiian tradition and culture, your Committee finds that Dr. Gon will continue to be an asset to the Board of Land and Natural Resources for the seat in which he has been nominated.

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, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1701 Government Operations on Gov. Msg. Nos. 542 and 698

Recommending that the Senate advise and consent to the nominations of the following:

ENHANCED 911 BOARD

G.M. No. 542 BENJAMIN MORGAN, for a term to expire 06-30-2020; and

G.M. No. 698 KENNETH BUGADO, JR., for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Benjamin Morgan and Kenneth Bugado, Jr., to possess the requisite qualifications to be nominated to the Enhanced 911 Board.

BENJAMIN MORGAN

Your Committee received testimony in support of the nomination of Benjamin Morgan from the Department of Accounting and General Services, Enhanced 911 Board, County of Hawai'i Police Department, Maui Police Department, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Morgan's expertise in telecommunications and specialized understanding of operational excellence further qualify him for appointment to the Enhanced 911 Board. Mr. Morgan has nearly fifteen years of experience in telecommunications, and is currently Vice President of Customer Care and Network Reliability at Hawaiian Telecom. In his position at Hawaiian Telecom, the nominee was involved in the project that resulted in the successful migration of all 911 dispatch centers across Hawaii from the legacy 911 call-taking system to the IP-based NG911 platform, which increased system reliability, security, and capabilities. Your Committee notes that Mr. Morgan has substantial relevant experience in telecommunications, proven capability in deploying technology solutions, and a desire and passion to contribute meaningfully to a reliable infrastructure for this critical service for the people of Hawaii. Your Committee further finds that Mr. Morgan has been nominated for appointment to the Enhanced 911 Board as the representative of the public utility that provides telecommunications services and landline enhanced 911 services and his professional experience and specialized understanding of telecommunications operations will be assets to the Board.

KENNETH BUGADO, JR.

Your Committee received testimony in support of the nomination of Kenneth Bugado, Jr., from the Department of Accounting and General Services, Enhanced 911 Board, County of Hawai'i Police Department, Honolulu Police Department, Maui Police Department, and one individual.

Upon review of the testimony, your Committee finds that Mr. Bugado's wealth of experience in law enforcement, emergency response, and criminal intelligence further qualify him for appointment to the Enhanced 911 Board. Your Committee notes that Mr. Bugado has been a police officer for twenty-eight years and during that time he has risen through the ranks to his current position of Deputy Chief. During his long career, the nominee has obtained extensive experience as a patrol officer and first responder and in criminal intelligence and investigations, and substantial administrative experience within the County of Hawai'i Police Department. Mr. Bugado is a graduate of the Federal Bureau of Intelligence National Academy. His expertise in public safety and understanding of emergency response make him an excellent nominee for membership on the Board. Your Committee further finds that Mr. Bugado has been nominated for appointment to the Enhanced 911 Board as the public safety answering point representative for the County of Hawai'i and his experience, knowledge, and commitment to the community and public safety will be assets to the Board.

As affirmed by the records of votes of the members of your Committee on Government Operations 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 (Tokuda).

SCRep. 1702 Hawaiian Affairs on Gov. Msg. Nos. 600, 601, 602, 603, 604, 605, and 785

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF HAWAI'I

- G.M. No. 600 JORDAN CALPITO, for a term to expire 06-30-2017;
- G.M. No. 601 JORDAN CALPITO, for a term to expire 06-30-2021;
- G.M. No. 602 MARY MAXINE KAHAULELIO, for a term to expire 06-30-2019;
- G.M. No. 603 NORMAN KAIMULOA, for a term to expire 06-30-2019;
- G.M. No. 604 SCOTT MAHONEY, for a term to expire 06-30-2020;
- G.M. No. 605 TERRI NAPEAHI, for a term to expire 06-30-2018; and
- G.M. No. 785 FRED CACHOLA, JR., for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Jordan Calpito, Mary Maxine Kahaulelio, Norman Kaimulua, Scott Mahoney, Terri Napeahi, and Fred Cachola, Jr., to possess the requisite qualifications to be nominated to the Island Burial Council, Island of Hawai'i.

JORDAN CALPITO

Your Committee received testimony in support of the nomination for appointment and reappointment of Jordan Calpito from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Mr. Calpito is a resident of Hilo. He has completed several courses in Hawaiian Studies and Anthropology at the University of Hawaii at Hilo and at Manoa. He was previously employed at the Department of Land and Natural Resources, State Historic Preservation Division, as the Maui Burial Sites Specialist. It is in that capacity that he gained knowledge and experience working with native Hawaiian burial sites and the laws and administrative rules guiding the disposition of burial sites, including skeletal remains. Mr. Calpito also received training relevant to the identification, wrapping, and cultural practices in preparation of reintering native Hawaiian skeletal remains. Mr. Calpito has been serving on the Hawai'i Island Burial Council for almost a year.

MARY MAXINE KAHAULELIO

Your Committee received testimony in support of the nomination of Mary Maxine Kahaulelio from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and one individual.

Ms. Kahaulelio is a resident of Waimea, Hawai'i, and an active member of her community. She has previously served as secretary of the Waimea Hawaiian Homestead Association and the Kipu'upu'u Hawaiian Homestead Association. Ms. Kahaulelio is a volunteer with the Queen Lili'uokalani Children's Center. She has previously served as a member of the Hawai'i Island Burial Council for many years. It is in that capacity that she has gained knowledge and experience working with native Hawaiian burial sites and the laws and administrative rules guiding the disposition of burial sites, including skeletal remains. Ms. Kahaulelio has proven to be a valuable participant in that process.

NORMAN KAIMULOA

Your Committee received testimony in support of the nomination Norman Kaimulua from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Mr. Kaimulua is a resident of Kailua-Kona, Hawai'i, and has family ties to and history in that area since the 1850s. He is a member of the Royal Order of Kamehameha I and caretaker of 'Aha 'Umi and Likelike. Mr. Kaimulua has always had an interest in protecting the iwi of his ancestors, and serving on the Hawai'i Island Burial Council will afford him that opportunity. He previously served on the Hawai'i Island Burial Council and currently serves on an interim basis.

SCOTT MAHONEY

Your Committee received testimony in support of the nomination of Scott Mahoney from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Mr. Mahoney currently resides at his family's homestead in Waimea, Hawai'i, but traces his Haili 'ohana genealogies to Ka'ū and Kawaihae. Mr. Mahoney is currently retired but has spent the last twenty years assisting with the removal of unexploded ordnance on Hawai'i Island, O'ahu, Moloka'i, and Kaho'olawe. Although he is not an archaeologist by training, Mr. Mahoney has accompanied many archaeologists on investigative assignments as safety support, while they conducted studies on archaeological resources and burial sites in dangerous areas. Through these experiences, he learned much about why and how to mālama iwi and developed a deep connection to the preservation and protection of iwi kūpuna. He brings this knowledge, kuleana, and willingness to continue learning to his candidacy for the Hawai'i Island Burial Council. Additionally, in his free time, Mr. Mahoney remains actively engaged in various cultural and community organizations, including the Royal Order of Kamehameha I, Kua'āina Ulu 'Auamo and its E Alu Pū Network, the Sovereign Councils of the Hawaiian Home Lands Assembly, and Mālama Kōloa, where he assisted with the restoration and protection of the Hapa Trail.

TERRI NAPEAHI

Your Committee received testimony in support of the nomination of Terri Napeahi from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Pana'ewa Hawaiian Home Lands Community Association, and two individuals.

Ms. Napeahi is a resident of Hilo and Mountain View, Hawai'i, and has genealogical ties to the entire island of Hawai'i. She owns her own company, Papa Mu Native Hawaiian LLC, which specializes in the sale of native Hawaiian authentic products, including crafts and traditional and local foods. Ms. Napeahi has been active with groups fostering Hawaiian art and culture, including the Papa Mu Gallery, P.I.H.A. (Perpetuating Indigenous Hawaiian Artists), and Pele Defense Fund for a number of years. She is a founder of the Keaukaha Action Network, Vice President of the Pele Defense Fund, and representative of the Aha Moku o Keawe, Hilo Council.

Ms. Napeahi has served as an archaeological field technician on Hawai'i Island for two years and has been serving on the Hawai'i Island Burial Council on an interim basis. Ms. Napeahi has expressed a deep dedication to her community, culture, and the proper treatment of iwi kupuna.

FRED CACHOLA, JR.

Your Committee received testimony in support of the nomination for the reappointment of Fred Cachola, Jr., from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Mr. Cachola has genealogical ties to Kohala and is currently a resident of Hāwī, Hawai'i. His past employment includes working at the Kamehameha Schools as its Director of Community/Extension Education Division for twenty-five years. He has extensive experience in planning, implementing, and managing cultural, educational, historical, and preservation programs affecting Native Hawaiians and pioneered historic preservation efforts statewide, serving on the Hawai'i Island Burial Council, State Historic Sites Review Board, State Cultural Advisory Commissions, Native Hawaiian Historic Preservation Council, and Board of Directors for the Hawai'i Natural History Association. Mr. Cachola has been serving on the Hawai'i Island Burial Council since 2014.

Mr. Cachola also assisted with the preservation and restoration of the Kū'iliiloa, Pūnana'ula, and Kamaile Heiau. He has also been a leader in national historic preservation advocacy; he has served on the Native American Advisory Group to the National Advisory Council on Historic Preservation and on two federal commissions establishing National Historic Parks at Kaloko-Honokohau and Kalaupapa.

Mr. Cachola has also assisted with the preservation and restoration of the Kū'iliiloa, Pūnana'ula, and Kamaile Heiau. He has also been a leader in national historic preservation advocacy; he has served on the Native American Advisory Group to the National Advisory Council on Historic Preservation and on two federal commissions establishing National Historic Parks at Kaloko-Honokohau and Kalaupapa.

As affirmed by the records of votes of the members of your Committee on Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1703 Higher Education on Gov. Msg. Nos. 720, 721, and 722

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII MEDICAL EDUCATION COUNCIL

- G.M. No. 720 KENNETH ROBBINS, for a term to expire 06-30-2021;
G.M. No. 721 PAULA YOSHIOKA, for a term to expire 06-30-2019; and
G.M. No. 722 ALLEN HIXON, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kenneth Robbins, Paula Yoshioka, and Allen Hixon to possess the requisite qualifications to be nominated for reappointment to the Hawaii Medical Education Council.

KENNETH ROBBINS

Your Committee received testimony in support of the nomination of Kenneth Robbins for reappointment from Hawaii'i Pacific Health.

Dr. Robbins currently serves as the Executive Vice President and Chief Medical Officer of Hawaii Pacific Health. Your Committee finds that prior to his administrative career, Dr. Robbins was a full-time practicing pediatrician at Straub Clinic and Hospital for fifteen years. Dr. Robbins was also previously a Clinical Professor in the Department of Pediatrics at the University of Hawaii John A. Burns School of Medicine. Your Committee notes that Dr. Robbins has been active in physician recruitment activities in Hawaii for the last twelve years. In his position with Hawaii Pacific Health, Dr. Robbins is directly responsible for overseeing the recruitment of physicians for Hawaii Pacific Health's hospitals and medical groups. In his personal statement, Dr. Robbins indicated that he hopes to continue thoroughly studying the physician shortage issue facing the State and recommend practical solutions. Dr. Robbins has served on the Hawaii Medical Education Council since 2012, and your Committee finds that his intimate understanding of Hawaii's physician shortage, clinical and administrative medical experience, and commitment to training the next generation of physicians further qualify Dr. Robbins for reappointment to the Council.

PAULA YOSHIOKA

Your Committee received testimony in support of the nomination of Paula Yoshioka for reappointment from Hawaii'i Pacific Health, Healthcare Association of Hawaii, SanHi Government Strategies, and Chamber of Commerce Hawaii.

Ms. Yoshioka presently serves as the Senior Vice President of Corporate Development for The Queen's Medical Center, where she works with physician residency programs to meet the needs of The Queen's Medical Center and the overall healthcare needs of the State. Your Committee finds that Ms. Yoshioka has over twenty-five years of healthcare experience in the public and private sector managing all facets of administrative organizational functions. Ms. Yoshioka previously served as the Vice Chair of Administrative Services at the University of Hawaii John A. Burns School of Medicine's Department of Psychology, where she had direct involvement in medical education, and she has served in various capacities with the Department of Health, including Deputy Director. In her personal statement, Ms. Yoshioka indicated that she is committed to helping the future workforce find creative and innovative ways to adapt to the changes occurring in healthcare delivery, costs, and coverage in order to continue meeting Hawaii's healthcare needs. Ms. Yoshioka has served on the Hawaii Medical Education Council since 2012, and your Committee finds that her professional experience, leadership in the medical community, and dedication to training new physicians further qualify her for reappointment to the Council.

ALLEN HIXON

Your Committee received testimony in support of the nomination of Allen Hixon for reappointment from the University of Hawaii'i System, Hawaii'i Pacific Health, and one individual.

Dr. Hixon is currently a Professor and Chair of the Department of Family Medicine and Community Health at the University of Hawaii John A. Burns School of Medicine. Your Committee finds that Dr. Hixon has enjoyed a long career as a primary care physician, obtained a wide range of experience working with the various hospital systems in the State, and previously served as the Residency Director of the Family Medicine Residency Program at the University of Hawaii John A. Burns School of Medicine. Your Committee notes that Dr. Hixon has worked with the Legislature to provide funding to develop a statewide healthcare rural training network and to support the local residency program to help address the severe shortage of primary care health providers in the State. In his personal statement, Dr. Hixon indicated that he hopes to develop an actionable statewide strategy for the primary care workforce that considers Hawaii's unique geography and aging population. Dr. Hixon is currently serving on the Hawaii Medical Education Council and your Committee finds that his professional background, committed leadership of graduate medical education programs, and passion for addressing Hawaii's shortage of primary care physicians further qualify him for reappointment to the Council.

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, 5. Noes, none. Excused, none.

SCRep. 1704 Hawaiian Affairs on Gov. Msg. Nos. 786, 787, and 788

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF MAUI AND LANĀ'I

- G.M. No. 786 SUSAN ANTONIO, for a term to expire 06-30-2020;
 G.M. No. 787 EVALINA WATANABE, for a term to expire 06-30-2021; and
 G.M. No. 788 SCOTT FISHER, for a term to expire 06-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Susan Antonio, Evalina Watanabe, and Scott Fisher to possess the requisite qualifications to be nominated to the Island Burial Council, Islands of Maui and Lanā'i.

SUSAN ANTONIO

Your Committee received testimony in support of the nomination for the reappointment of Susan Antonio from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and one individual.

Ms. Antonio has been serving on the Maui and Lanā'i Island Burial Council for the past three years. As the Council Chair, she has exemplified leadership, guiding the Council through complex developments, ensuring close attention is paid to iwi protection. Additionally, she assists in executing cultural protocols, including making kapa for iwi re-interment. She also serves as the Hawaiian Language Translator and Specialist for the Ka Ho'oloina Journal. Ms. Antonio has demonstrated a deep respect for iwi kūpuna, teaching her students to revere iwi as the vessels of our ancestors' mana. Ms. Antonio has lived in Makawao for over fifteen years, and she has indicated her intent to root her family in the Makawao community indefinitely.

EVALINA WATANABE

Your Committee received testimony in support of the nomination for the reappointment of Evalina Watanabe from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Ms. Watanabe was born and raised on Lanā'i and has genealogical ties to the island. She would like to continue to represent that community on the Maui and Lanā'i Island Burial Council. While she has lived on the island of Maui for the last forty years, she nevertheless maintains a close relationship to her home island of Lanā'i and is committed to protecting her childhood community. Her past networking experiences include the Department of Hawaiian Home Lands, Alu Like, Department of Education's Kupuna Program, Queen Lili'uokalani Children's Center, Office of Hawaiian Affairs, and Kamehameha Schools. Ms. Watanabe has been serving on the Maui and Lanā'i Island Burial Council since 2015.

Ms. Watanabe has also served as a consultant with Castle and Cooke Resorts in historic preservation and has assisted with cultural surveys. She has visited many sacred places through her membership in Hui Mālama Pono o Lanā'i and Lanā'i Archaeological Committee. She has also helped reinter iwi from Lanā'i Hale. Additionally, Ms. Watanabe has served on the Maui County Cultural Resource Commission for six years and has also served as a member of the Office of Hawaiian Affairs' Native Hawaiian Historic Preservation Council.

SCOTT FISHER

Your Committee received testimony in support of the nomination of Scott Fisher from the Department of Land and Natural Resources.

Mr. Fisher is a resident of Kula, Maui. He is currently the Associate Executive Director of Conservation and Maui Island Director of the Hawaiian Islands Land Trust. He has experience teaching in Australia, Indiana, and Colorado. Mr. Fisher developed and implemented an extensive oral history grant for the Maui Historical Society. His community service includes the Maui Historical Society, Maui Conservation Alliance, Maui Nui Marine Resources Council, and Waihee'e Community Association. Mr. Fisher previously served on the Maui and Lanā'i Island Burial Council as its Vice Chair where he earned the respect of his fellow members as well as the general community.

As affirmed by the records of votes of the members of your Committee on Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
 Ayes, 5. Noes, none. Excused, none.

SCRep. 1705 Hawaiian Affairs on Gov. Msg. Nos. 606, 607, and 809

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'IHAU

- G.M. No. 606 CAROL LOVELL, for a term to expire 06-30-2017;
 G.M. No. 607 CAROL LOVELL, for a term to expire 06-30-2021; and
 G.M. No. 809 LEIANA ROBINSON, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Carol Lovell and Leiana Robinson to possess the requisite qualifications to be nominated to the Island Burial Council, Islands of Kaua'i and Ni'ihau.

CAROL LOVELL

Your Committee received testimony in support of the nomination for the appointment and reappointment of Carol Lovell from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and two individuals.

Ms. Lovell is a resident of Anahola, Kaua'i, and previously served as the Kaua'i Museum Director for fourteen years. In that capacity, she became knowledgeable and gained experience in working with the Native American Grave Repatriation Act. Her responsibilities as director also included attendance at Island Burial Council meetings, where she became familiar with Hawai'i's laws and rules regarding native Hawaiian burials. Ms. Lovell was also fortunate to have been mentored by well-known and respected kūpuna of Kaua'i. Through that mentorship, she learned proper protocol surrounding cultural artifacts and gained a respect for traditional knowledge and cultural resources. Ms. Lovell has been serving on the Council on an interim basis.

LEIANA ROBINSON

Your Committee received testimony in support of Leiana Robinson from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Ms. Robinson was born and raised on the island of Ni'ihau which gives her a unique perspective to the Council's deliberations since she was reared in a predominately full-blooded native Hawaiian community. In addition, Ms. Robinson's first language and mother tongue is Hawaiian. Ms. Robinson currently serves on the Kaua'i and Ni'ihau Island Burial Council and remains committed to continuing her service to the Hawaiian people.

As affirmed by the records of votes of the members of your Committee on Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.
Ayes, 5. Noes, none. Excused, none.

SCRep. 1706 Hawaiian Affairs on Gov. Msg. Nos. 813, 814, 815, and 816

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF OAHU

- G.M. No. 813 HINALEIMOANA WONG-KALU, for a term to expire 06-30-2020;
- G.M. No. 814 KALI FERMANTEZ, for a term to expire 06-30-2021;
- G.M. No. 815 BEVERLY AMARAL, for a term to expire 06-30-2021; and
- G.M. No. 816 DANNA HOLCK, for a term to expire 06-30-2020

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Hinaleimoana Wong-Kalu, Kali Fermantez, Beverly Amaral, and Danna Holck to possess the requisite qualifications to be nominated to the Island Burial Council, Island of Oahu.

HINALEIMOANA WONG-KALU

Your Committee received testimony in support of the nomination of Hinaleimoana Wong-Kalu from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and three individuals.

Ms. Wong-Kalu was born and raised in the Kona region of O'ahu. Her past employers includes Kula Aupuni Ni'ihau A Kahelelani Aloha School, Kuaokala School, Ke Ola Mamo Native Hawaiian Health Care System, Leeward Community College, Queen Lili'uokalani Children's Center, and the University of Hawai'i. She formerly served as Chair of the O'ahu Island Burial Council, where she earned the respect of her fellow members as well as that of the general Hawai'i community. She is a well-respected kumu hula and speaks Hawaiian, Tahitian, Tongan, and Samoan fluently.

KALI FERMANTEZ

Your Committee received testimony in support of the nomination of Kali Fermantez from the Department of Land and Natural Resources and one individual.

Dr. Fermantez was born and raised and continues to live in the Ko'olauloa region of O'ahu. Dr. Fermantez is currently an Assistant Professor of Hawaiian and Pacific Studies at Brigham Young University-Lā'ie. He is a member of the Ko'olauloa Hawaiian Civic Club and serves as a basketball, baseball, and soccer assistant coach in his community. Dr. Fermantez's strong understanding of the Hawaiian culture brings an assertive, yet fair voice to the proper treatment of native Hawaiian burials.

BEVERLY AMARAL

Your Committee received testimony in support of the nomination of Beverly Amaral from the Department of Land and Natural Resources and one individual.

Ms. Amaral is a resident of Kāne'ohe, O'ahu, and wishes to represent the Ko'olaupoko district, a district that has not been represented on the Council for a very long time. Ms. Amaral has a Certificate of Real Estate/License and attended San Francisco State University. She is also an active member of the Native Hawaiian Chamber of Commerce. Ms. Amaral has been serving on the O'ahu Island Burial Council since 2016.

DANNA HOLCK

Your Committee received testimony in support of the reappointment of Danna Holck from the Department of Land and Natural Resources; Polynesian Cultural Center; Turtle Bay Resort; Ku'iwalu; Kualoa-He'eia Ecumenical Youth Project; N.S.O.G, LLC; TLC PR; Hauula Community Association; and seven individuals.

Ms. Holck was born and raised in Kailua, O'ahu. After pursuing her career on the mainland and in Puerto Rico, Ms. Holck returned to Hawai'i and became employed with Turtle Bay Resort, where she is currently the Vice-President and General Manager. Under her leadership, the hotel has succeeded in introducing a culturally-sensitive environment. Ms. Holck has been an active member of the Hawaiian community and regularly attends O'ahu Island Burial Council meetings. She has dedicated herself to ensuring iwi kupuna is handled in the most respectful and honorable way. She has been serving on the O'ahu Island Burial Council since 2013 and has proven her qualifications by providing fair and sensitive opinions.

As affirmed by the records of votes of the members of your Committee on Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

SCRep. 1707 International Affairs and the Arts on Gov. Msg. Nos. 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 665, and 666

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

- G.M. No. 626 TREVOR DAINES, for a term to expire 06-30-2017;
- G.M. No. 627 TREVOR DAINES, for a term to expire 06-30-2021;
- G.M. No. 628 BEVERLY LEE, for a term to expire 06-30-2019;
- G.M. No. 629 MELE ELENA CORDEIRO, for a term to expire 06-30-2018;
- G.M. No. 630 DARYL FUJIWARA, for a term to expire 06-30-2019;
- G.M. No. 631 DESIREE CRUZ, for a term to expire 06-30-2017;
- G.M. No. 632 DESIREE CRUZ, for a term to expire 06-30-2021;
- G.M. No. 633 KAMAKANAOKEALOHA AQUINO, for a term to expire 06-30-2019;
- G.M. No. 634 LINDA CHOCK, for a term to expire 06-30-2020;
- G.M. No. 635 LU ANN LANKFORD-FAVORITO, for a term to expire 06-30-2020;
- G.M. No. 636 LIONEL WRIGHT, for a term to expire 06-30-2017;
- G.M. No. 637 LIONEL WRIGHT, for a term to expire 06-30-2021;
- G.M. No. 638 MELISSIA SUGAI, for a term to expire 06-30-2018;
- G.M. No. 665 SHELLEY PE'A, for a term to expire 06-30-2020; and
- G.M. No. 666 STACY CLAYTON, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Trevor Daines, Beverly Lee, Mele Elena Cordeiro, Daryl Fujiwara, Desiree Cruz, Kamakanaoakealoha Aquino, Linda Chock, Lu Ann Lankford-Faborito, Lionel Wright, Melissa Sugai, Shelley Pe'a, and Stacy Clayton to possess the requisite qualifications to be nominated to the King Kamehameha Celebration Commission.

TREVOR DAINES

Your Committee received testimony in support of the nomination for the appointment and reappointment of Mr. Trevor Daines from the Department of Accounting and General Services and four individuals.

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 and has served as a member of numerous organizations including 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 Chairperson of the King Kamehameha Celebration Commission. Under the current nomination, Mr. Daines will represent the Royal Order of Kamehameha on the Commission. Mr. Daines' knowledge, leadership experience, value of Hawaiian culture, and strong commitment to public service will continue to benefit the important work of the King Kamehameha Celebration Commission.

BEVERLY LEE

Your Committee received testimony in support of the nomination for the appointment of Ms. Beverly Lee from the Department of Accounting and General Services, Kapahulu Music Club, and three individuals.

Ms. Lee is currently the Management Assistant at Kaiser Permanente in Honolulu. Prior to her service as a Management Assistant, Ms. Lee was the Customer Service Representative at Kaiser Permanente in Honolulu and at Ohana Health Plan in Kapolei. Ms. Lee

also worked as an Administrative Assistant at Central Pacific Bank. She was also employed by Hawaiian Telcom and GTE Hawaiian Tel for thirty-three years in various capacities but most recently as a Business Sales Representative, where she was responsible for managing accounts and projects, including training for major corporate accounts in Hawaii. Ms. Lee has been involved with the King Kamehameha Celebration Commission and the Floral Parade for the past twenty years; first as an equestrian participant, then assisting the previous Arts Program Specialist, and, currently, as the Equestrian Chairperson. Ms. Lee will also represent the Kapahulu Music Club on the Commission. Ms. Lee's extensive community service background and her professional experience will continue to be assets to the important work of the King Kamehameha Celebration Commission.

MELE ELENA CORDEIRO

Your Committee received testimony in support of the nomination for the appointment of Ms. Mele Elena Cordeiro from the Department of Accounting and General Services and four individuals.

Ms. Cordeiro currently serves as an Educational Assistant at Kamaile Academy Public Charter School where she provides classroom support to students on various academic subjects. Since 1991 she has been an active member of the Hale O Na Ali'i O Hawaii, Ahahui Po'o, Halau O Wahiika'ahu'ula, Helu Ekahi, Honolulu Chapter, Number 1. Ms. Cordeiro has also served the Chapter as its Assistant Marshall and Auditor. In her service to the Chapter, she has shown an outstanding ability to motivate members, complete complex tasks, and provide administrative guidance. Ms. Cordeiro will represent Hale O Na Ali'i O Hawaii, Ahahui Po'o on the Commission. Ms. Cordeiro's commitment to community service and her professional experience will provide crucial support to the work of the King Kamehameha Celebration Commission.

DARYL FUJIWARA

Your Committee received testimony in support of the nomination for the appointment of Mr. Daryl Fujiwara from the Department of Accounting and General Services and three individuals.

Mr. Fujiwara is the Owner and Principal Designer of Smythe Fujiwara Design, a graphic design company he founded in 2004 on the Island of Maui. His clients include the County of Maui, Maui County Film Office, Maui Humane Society, and private businesses. He is active in numerous community and civic organizations, including serving as Vice President of the Lahaina Hawaiian Civic Club, as Event Coordinator for Na Kamehameha Commemorative Pa'u Parade and Ho'olaule'a, and as a member of Halau Hula Ka Malama Mahilani. Mr. Fujiwara will represent the Island of Maui on the Commission. Mr. Fujiwara's professional experience, expertise in design, and commitment to service will greatly contribute to the King Kamehameha Celebration Commission.

DESIREE CRUZ

Your Committee received testimony in support of the nomination for the appointment and reappointment of Ms. Desiree Cruz from the Department of Accounting and General Services and three individuals.

Ms. Cruz is the Owner and Director of Desiree Models & Talent, where she provides promotional and management services for entertainers and cultural practitioners in Hawaii. Ms. Cruz has served as a staff member at the East Hawaii District Office in the Department of Hawaiian Home Lands, as a Senior Community Outreach Specialist at the Native Hawaiian Roll Commission, as a Sales Specialist at the Big Island Visitors Bureau, and as the Public Relations Specialist at the County of Hawai'i Mayor's Office. She has also served as a member of the Volcano Art Center Board of Directors, the Program Coordinator of Hula Arts at Kilauea, and as President of the Pauka'a Community Association. Ms. Cruz will represent the Island of Hawaii on the Commission. Ms. Cruz's professional experience, government service, and community involvement will be assets to the King Kamehameha Celebration Commission.

KAMAKANAOKEALOHA AQUINO

Your Committee received testimony in support of the nomination for the appointment of Mr. Kamakanaoakealoha Aquino from the Department of Accounting and General Services, Waimanalo Hawaiian Homes Association, and three individuals.

Mr. Aquino currently serves as the Special Projects Research Analyst in the Research Division of the Office of Hawaiian Affairs. He received his Masters of Education in Educational Administration from the University of Hawaii at Manoa, and holds a Bachelor of Arts in Hawaiian Studies from the University. Mr. Aquino also served as the Assistant Coordinator for the Hulili Summer Bridge Program and as a Graduate Assistant within the Native Hawaiian Student Services at the University of Hawaii at Manoa. He is also the President of and will represent the Waimanalo Hawaiian Homes Association on the Commission. Mr. Aquino's knowledge, professional experience, and commitment to service will contribute greatly to the King Kamehameha Celebration Commission.

LINDA CHOCK

Your Committee received testimony in support of the nomination for the appointment of Ms. Linda Chock from the Department of Accounting and General Services and three individuals.

Ms. Chock is a Supervisor for Holoholo Tour, Travel, and Excursion Guides at Aulani Disney Resort and has over thirty-five years of experience in the visitor and convention industry in Hawaii. She attended the University of Hawaii and is a graduate of the Travel Institute, Wellesley, Massachusetts. Prior to working at Aulani Disney Resort, Ms. Chock was the Director of Sales, Event Planning, and Asia Pacific Marketing at the Bernice Pauahi Bishop Museum. Ms. Chock is an active member of many civic organizations, including state and national chapters of the American Society of Association Executives, Travel and Tourism Research Association, Daughters of Hawaii, and the Benevolent Royal Society of the Ahahui Ka'ahumanu. Ms. Chock will represent Ahahui Ka'ahumanu on the Commission. Ms. Chock's professional experience and immense service to the community will be assets to the King Kamehameha Celebration Commission.

LU ANN LANKFORD-FAVORITO

Your Committee received testimony in support of the nomination for the appointment of Ms. Lu Ann Lankford-Favorito from the Department of Accounting and General Services and four individuals.

Ms. Lankford-Faborito is the Contract Administrator at Latigo Construction, Inc. Ms. Lankford-Faborito is a volunteer with the Hawaii Food Bank and Kawaiahao Church Homeless Outreach Program. She is a member of the Hawaii Women's Rodeo Association, Ho'olehua Hawaiian Civic Club, 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. Ms. Lankford-Faborito will represent the Island of Molokai on the Commission. Ms. Lankford-Faborito's wealth of experience in community service and professional activities will continue to greatly contribute to the King Kamehameha Celebration Commission.

LIONEL WRIGHT

Your Committee received testimony in support of the nomination for the appointment and reappointment of Mr. Lionel Wright from the Department of Accounting and General Services and two individuals.

Mr. Wright currently serves as the Chief Inspector for the Department of Commerce and Consumer Affairs Mixed Martial Arts Program. Prior to his work for the Department of Commerce and Consumer Affairs, Mr. Wright was an employee of Oahu Transit Services. He is currently the President of and will represent the Papakolea Community Association on the Commission. Mr. Wright's professional experience and commitment to community service will be assets to the King Kamehameha Celebration Commission.

MELISSIA SUGAI

Your Committee received testimony in support of the nomination for the appointment of Ms. Melissa Sugai from the Department of Accounting and General Services and two individuals.

Ms. Sugai currently serves as an Economic Development Specialist for the County of Kauai. Prior to her work with the County of Kauai, Ms. Sugai worked as a Project Administrator with Unlimited Construction Services, Inc., and as a show supervisor at Smith's Tropical Paradise, where she coordinated and oversaw the production of the Ethnic Cultural Show. Ms. Sugai has also previously participated in the King Kamehameha parade as a pa'u rider. She is an active member of the Hale O Na Ali'i, Anahola Hawaiian Homestead Association, and the Tourism Strategic Planning Board. Ms. Sugai will represent the Island of Kauai on the Commission. Ms. Sugai's professional experience and community involvement will help support the important efforts of the King Kamehameha Celebration Commission.

SHELLEY PE'A

Your Committee received testimony in support of the nomination for the appointment of Ms. Shelley Pe'a from the Department of Accounting and General Services, and two individuals.

Ms. Pe'a currently works in the tourism industry at Aulani Disney Resort. She received a Masters of Education from Chaminade University of Honolulu and a Bachelor's degree in Elementary Education from Brigham Young University. Prior to working at Aulani, Ms. Pe'a served as a Cultural Specialist at Kamehameha Schools and as a teacher at Ke Kula 'o Samuel M. Kamakau and at Blanche Pope Elementary. She has also volunteered for over ten years at the King Kamehameha and Aloha Festivals Parades. Ms. Pe'a is a member of and will represent the Association of Hawaiian Civic Clubs on the Commission. Her professional experience, commitment to education, value of Hawaiian culture, and community service will be assets to the King Kamehameha Celebration Commission.

STACY CLAYTON

Your Committee received testimony in support of the nomination for the appointment of Ms. Stacy Clayton from the Department of Accounting and General Services and one individual.

Ms. Clayton currently serves as the Executive Strategy Consultant in the Strategy and Innovation Division at Kamehameha Schools. Previously she worked as the Trust Coordinator to support the Board of Trustees for the Charles Reed Bishop Trust and was the Division Director in Extension Educational Services at Kamehameha Schools. She received a Masters of Education and Bachelor of Arts in Communications from the University of Hawaii at Manoa. Ms. Clayton is actively involved in the quarterly Malama Mauna Ala service projects and is a member of the Prince Kuhio Civic Club. Ms. Clayton is a member of and will represent the Daughters and Sons of Hawaiian Warriors organization on the Commission. Ms. Clayton's professional experience, commitment to community service, and dedication to education will greatly contribute to the King Kamehameha Celebration Commission.

As affirmed by the records of votes of the members of your Committee on International Affairs 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 (English, Ihara).

SCRep. 1708 Ways and Means on H.C.R. No. 26

The purpose and intent of this measure is to authorize the amendment of an easement for a portion of state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to amend a term, non-exclusive easement covering a portion of state submerged lands fronting property in Kailua, Koolaupoko, Oahu, for the maintenance and repair of the existing seawall and boat ramp, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has determined the shoreline boundary of a previously issued easement on the property identified as Tax Map Key: (1) 4-3-005: seaward of 094, to be further mauka, which has resulted in an additional encroachment area of three hundred twenty-eight square feet. Your Committee further finds

that this measure expresses the requisite legislative approval so that the existing easement may be amended to include this additional encroachment.

As 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. 26, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1709 Ways and Means on H.C.R. No. 27

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Waimanalo, Koolaupoko, Oahu, for the maintenance and repair of an existing pier, and for use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified an existing pier fronting the property identified as Tax Map Key: (1) 4-1-001: seaward of 011, as encroaching upon state submerged lands. The current owner of the abutting property has worked with the Department of Land and Natural Resources to convert the existing revocable permit for the pier to a long-term easement. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the continued use of those 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. 27, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1710 Ways and Means on H.C.R. No. 60

The purpose and intent of this measure is to authorize the amendment of an easement for a portion of state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to amend a term, non-exclusive easement covering a portion of state submerged lands fronting property in Maunaloa, Honolulu, Oahu, for the maintenance and repair of the existing channel, concrete surge break or breakwater, seawall, step, and filled land, and for use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has determined that a previously issued easement on the property identified as Tax Map Key: (1) 3-9-026: seaward of 044, 045, and 048, includes an additional encroachment of approximately 3,503 square feet. Your Committee further finds that this measure expresses the requisite legislative approval so that the existing easement may be amended to include this additional encroachment.

As 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. 60, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1711 Ways and Means on H.C.R. No. 78

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands fronting property located in Kaneohe, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, and for the use, repair, and maintenance of the existing improvements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged lands. The Board has identified portions of a pier fronting the property identified as Tax Map Key: (1) 4-5-058:121, as encroaching upon state submerged lands. The current owner of the abutting property has worked with the Department of Land and Natural Resources to convert the existing pier revocable permit to a long-term easement, as the pier is located on state submerged lands. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those 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. 78, H.D. 1, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1712 Ways and Means on H.C.R. No. 97

The purpose and intent of this measure is to authorize the issuance of an easement for state submerged and reclaimed (filled) lands.

Specifically, this measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged and reclaimed (filled) lands fronting property located in Kuau, Makawao, Paia, Maui, for the maintenance and repair of the existing rock walls, the revetments, a stairway, and the lawn.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that section 171-53, Hawaii Revised Statutes, requires the Board of Land and Natural Resources to obtain authorization from the Legislature to engage in disposition of state submerged and reclaimed lands. The Board has identified portions of a wall and other improvements identified as Tax Map Key: (2) 2-6-012: seaward of 026, as encroaching upon state submerged and reclaimed (filled) lands. Your Committee further finds that the Board of Land and Natural Resources approved a grant of a term, non-exclusive easement for the maintenance and repair of the encroachments. Your Committee further finds that this measure expresses the requisite legislative approval so that an easement may be issued for the use of those state submerged and reclaimed 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. 97, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1713 Ways and Means on H.C.R. No. 152

The purpose and intent of this measure is to authorize the issuance of an easement covering a portion of state submerged lands.

More specifically, this measure authorizes the issuance of a fifty-five year term, non-exclusive easement covering a portion of state submerged lands fronting the property identified as Tax Map Key: (4) 4-3-009, seaward of 001, Waipouli, Kawaihau, Kauai, for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements constructed thereon.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources may lease submerged lands with the prior approval of the Governor and the prior authorization of the Legislature by concurrent resolution. Your Committee further finds that the Board of Land and Natural Resources approved a grant of a fifty-five year, non-exclusive easement for the maintenance and repair of the existing seawall fronting the property identified in this measure. Your Committee concludes that the easement is necessary for the maintenance and repair of the existing seawall, and for the use, repair, and maintenance of the existing improvements thereon.

As 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. 152, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1714 Ways and Means on H.C.R. No. 105

The purpose and intent of this measure is to request the Department of Labor and Industrial Relations to report on its efforts to keep its commitment to work with vocational rehabilitation stakeholders and address the issues raised and recommendations made to improve the performance of the Vocational Rehabilitation Unit in its Disability Compensation Division.

Your Committee received written comments in support of this measure from eight individuals.

Your Committee received written comments on this measure from the Department of Labor and Industrial Relations and nine individuals.

Your Committee finds that concerns have been raised regarding the Vocational Rehabilitation Unit being administered in a different manner than in the previous three and a half decades, contrary to the original intent of the system as expressed in section 386-25(a), Hawaii Revised Statutes. Specifically, concerns have been raised that the Vocational Rehabilitation Unit is administered in a manner that is punitive and retaliatory toward counselors who are advised of the authority of the Department of Labor and Industrial Relations to revoke their certification or registration under section 12-14-19, Hawaii Administrative Rules. Accordingly, your Committee believes that an official report addressing these concerns from the Department of Labor and Industrial Relations will assist in identifying and resolving specific concerns.

As 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. 105, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 1715 (Joint) Hawaiian Affairs and Water and Land on H.C.R. No. 80

The purpose and intent of this measure is to request the Department of Land and Natural Resources to establish a working group to study the potential transfer of management and maintenance of the Royal Mausoleum at Mauna 'Ala to one or more appropriate nonprofit organizations.

Your Committees received testimony in support of this measure from Kamehameha Schools, Hawai'i Cemetery Research Project, PA'I, and Ho'omana Pono, LLC. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies. Your Committees received comments on this measure from the Department of Land and Natural Resources and O'ahu Council of the Association of Hawaiian Civic Clubs.

Your Committees find that the Royal Mausoleum at Mauna 'Ala is currently owned and managed by the Division of State Parks of the Department of Land and Natural Resources of the State of Hawai'i. The Department of Land and Natural Resources, the Kahu of Mauna 'Ala, and the Estate of Bernice Pauahi Bishop, Queen Lili'uokalani Trust, William Charles Lunalilo Trust Estate, Abigail K. Kawānanakoa Foundation, The Queen's Health Systems, and Charles Reed Bishop Trust (collectively, the "Royal Parties") have engaged in a cooperative effort to fund and undertake much needed repairs and renovations at Mauna 'Ala.

Your Committees find that there is a need to transfer the ongoing stewardship and maintenance of Mauna 'Ala to one or more nonprofit organizations with culturally-sensitive property management expertise, sufficient financial resources, and strong genealogical and cultural ties to Mauna 'Ala to assist with the ongoing management and maintenance of Mauna 'Ala for the benefit of the public.

Your Committees have amended this measure by:

- (1) Deleting the language explaining conveyance of ceded lands under the Admission Act;
- (2) Specifying that the working group should include one representative of each of the Hawaiian Royal Societies comprising 'Aha Hipu'u – Royal Order of Kamehameha I, 'Ahahui Ka'ahumanu, Hale O Nā Ali'i O Hawai'i, and Daughters and Sons of Hawaiian Warriors – Māmakakaua – rather than just one representative for 'Aha Hipu'u;
- (3) Adding three members of the general Hawaiian community to the working group, to be selected by the Department of Land and Natural Resources;
- (4) Requesting the working group to consult with the Attorney General for guidance and advice;
- (5) Deleting language that would have requested the working group to determine whether ownership of Mauna 'Ala should be transferred;
- (6) Extending the reporting deadline to twenty days prior to the convening of the Regular Session of 2019; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Although language was removed that would have requested the working group to determine whether ownership of Mauna 'Ala should be transferred, your Committees note that the working group is not prohibited from considering and making recommendations in its report to the Legislature regarding the transfer of ownership of Mauna 'Ala.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Water and Land that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 80, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 80, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 5. Noes, none. Excused, none.

Water and Land: Ayes, 4. Noes, none. Excused, 1 (Gabbard).

SCRep. 1716 (Joint) Hawaiian Affairs and Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 198

The purpose and intent of this measure is request the Office of Hawaiian Affairs to convene stakeholders on capacity building, training, and the perpetuation of hooponopono in order to strengthen integrative public safety programs that can incorporate Native Hawaiian values, practices, families, and communities into public safety and other appropriate state government programming.

Your Committees received testimony in support of this measure from Ho'omana Pono, LLC; and four individuals.

Your Committees find that Native Hawaiians have been overrepresented in the criminal justice system. The Office of Hawaiian Affairs documented this overrepresentation in a 2010 report entitled "The Disparate Treatment of Native Hawaiians in the Criminal Justice System." Your Committees further find that the Native Hawaiian Criminal Justice Task Force recommended, among other things, in its 2012 report that the State recognize and support community efforts to promote indigenous cultural models of restorative justice proven to be effective in rehabilitation. Traditional Native Hawaiian practices such as hooponopono have demonstrated effectiveness in offender rehabilitation, as well as in community education, individual and public health, and family therapy. The Office of Hawaiian Affairs works toward improving the condition of Native Hawaiians through research, direct services, programs, community outreach, education and training, prevention programs and services, and policy recommendations grounded in Native Hawaiian values and beliefs. Therefore, your Committees find it suitable that the Office of Hawaiian Affairs convene cultural organization representatives, integrative service providers, and traditional practitioners alongside state governmental authorities to determine methods of incorporating Native Hawaiian practices and values into public safety and other government programs.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 198, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Hawaiian Affairs: Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental, and Military Affairs: Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1717 Ways and Means on H.C.R. No. 31

The purpose and intent of this measure is to request the Department of Taxation to adopt rules to require that any assessment of penalty or interest on taxes be accompanied by an explanation, including calculations, of how the amount of the penalty or interest was determined.

Your Committee received testimony in support of this measure from one individual.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that pursuant to section 231-39, Hawaii Revised Statutes, the Department of Taxation assesses penalties and interest on taxpayers who fail to file a required return, fail to make required tax payments, or underpay their taxes. Although the department currently provides to each taxpayer who is assessed a penalty or interest a statement that sets out the amount of the penalty or interest, the statement generally does not include any explanatory language or supporting calculations. As a result, the taxpayer is often left with little understanding of how the department determined the amount of the penalty or interest being assessed. Thus, your Committee believes that the Department of Taxation should adopt rules to require that any assessment of penalty or interest on taxes be accompanied by an explanation.

As 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. 31, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Kaehele).

SCRep. 1718 Ways and Means on H.C.R. No. 96

The purpose and intent of this measure is to request the Department of Budget and Finance to provide a status report on the establishment and implementation of the Hawaii Achieving a Better Life Experience (ABLE) Savings Program.

Your Committee received written comments in support of this measure from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, and one individual.

Your Committee finds that section 256B-3(a)(9), Hawaii Revised Statutes, requires the Director of Finance to conduct an annual evaluation of the Hawaii ABLE Savings Program, prepare an annual report of the evaluation, and submit that report to the Governor and the Legislature. However, the Department of Budget and Finance has not issued any report since the statute was enacted in 2015. Your Committee believes that proper reporting by the Director of Finance will assist the Governor, Legislature, and public in monitoring the establishment and implementation of the Hawaii ABLE Savings Program and ensuring accountability so that the program is created in a timely manner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 96, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Kaehele).

SCRep. 1719 Water and Land on Gov. Msg. No. 608

Recommending that the Senate advise and consent to the nomination of the following:

KAHANA VALLEY LIVING PARK PLANNING COUNCIL

G.M. No. 608 SHAUNA KAHIAPO, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Shauna Kahiapo 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 for the appointment of Shauna Kahiapo from the Department of Land and Natural Resources and one individual.

Shauna Kahiapo has a Bachelor of Arts in Public Administration from the University of Hawaii West Oahu, and a Juris Doctorate from the University of Hawaii William S. Richardson School of Law with Certificates in Native Hawaiian Law and Environmental Law. Ms. Kahiapo is a Principal at Shauna L. K. Kahiapo, Attorney at Law. Ms. Kahiapo has extensive community and civic involvement, including serving as co-founder of Kahana Kilo Kai, and volunteer at the Domestic Violence Action Center, Ka Mala Lani, Aloha Dressage Society, Ho'oulu Āina, and Ka Huli 'Ao Native Hawaiian Center for Excellence in Native Hawaiian Law and is a member of the Prince Kūhio Hawaiian Civic Club.

Upon review of the testimony, your Committee finds that Ms. Kahiapo's background, experience, and commitment to public service further qualify her to be nominated for appointment to the Kahana Valley Living Park Planning Council. Testifiers commented that the nominee brings to the Council a variety of real estate experience and noted her extensive community volunteerism. Ms. Kahiapo indicates in her personal statement that Kahana Valley holds a special place in her heart and that she recognizes the challenges and significance of preserving the unique historical and cultural resources in Kahana Valley. Ms. Kahiapo notes that the legal and practical skills she learned in law school and in her other civic positions will be of use in her service on the Council and, along with her education and experience, make her uniquely qualified to serve on the Council.

Your Committee notes that the nominee has an extended family member who currently lives in the Kahana Valley Living Park. After an extensive discussion with the nominee, and consultation with the Ethics Commission, your Committee is confident that the nominee will be able to dutifully serve as the representative of the general public on the Kahana Valley Living Park Planning Council. Your Committee concludes that Ms. Kahiapo's knowledge, experience, and community leadership will be an asset to the 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, 3. Noes, none. Excused, 2 (Inouye, Thielen).

SCRep. 1720 Water and Land on Gov. Msg. Nos. 749, 750, and 751

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKA'I IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

- G.M. No. 749 WILMA JOY, for a term to expire 06-30-2017;
- G.M. No. 750 WILMA JOY, for a term to expire 06-30-2021; and
- G.M. No. 751 COLETTE AUGUSTIRO, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Wilma Joy and Colette Augustiro to possess the requisite qualifications to be nominated for appointment to the Molokai Irrigation System Water Users Advisory Board.

WILMA JOY

Your Committee received testimony in support of the nomination for the appointment and reappointment of Wilma Joy from the Department of Agriculture and one individual.

Wilma Joy holds an Associate of Arts degree in Liberal Arts from Maui Community College and a Bachelor's of Education in Secondary Education from the University of Hawaii at Manoa. Ms. Joy has extensive experience as a Farmer at Joy Farm in Hoolehua from 1976 to 1995, and 2010 to present. Ms. Joy was a Substitute Teacher from 2003 to 2007. Ms. Joy is a founding and current member of the Hikiola Cooperative Board, and was previously a member of the Department of Hawaiian Home Lands Grant Review Advisory Committee, member and chair of the Molokai Irrigation Water User Advisory Board, member of the Molokai Water Working Group and Molokai Planning Commission, and founding member of the Na Pu'uwai Board.

Upon review of the testimony, your Committee finds that Ms. Joy's experience, commitment to her community, and proven leadership further qualify her to be nominated for appointment and reappointment to the Molokai Irrigation System Water Users Advisory Board representing homestead farmer users. Testifiers commented that as a Hawaiian homestead beneficiary and former member of the Board, Ms. Joy has a keen understanding of the needs of the farmers on Molokai and how the irrigation system contributes to the self-sustainability of Native Hawaiian people. Testifiers noted that the nominee's water system knowledge and familiarity with Hawaiian homelands will be an asset to the Board. Ms. Joy indicated in her personal statement that as a farmer of a homestead parcel owned by the Department of Hawaiian Home Lands and served by the Molokai Irrigation System, she qualifies to fill the homestead farmer position on the Board. Ms. Joy also noted her years of experience serving on boards and commissions and her lengthy background of involvement in water issues on Molokai starting in the 1970s. Your Committee further finds that Ms. Joy will be an asset to the Molokai Irrigation System Water Users Advisory Board based on her background and experience and her ongoing commitment to public service and her community.

COLETTE AUGUSTIRO

Your Committee received testimony in support of the nomination for the appointment of Colette Augustiro from the Department of Agriculture, Hikiola Cooperative, Monsanto Molokai, and three individuals.

Colette Augustiro holds multiple Associate of Science degrees in Agriculture and is currently employed at Monsanto Molokai. Ms. Augustiro is an active member of her community on Molokai, has previously served as Head Coach for the Molokai High School softball team and on the Kulaia Planning Committee, and volunteers at numerous community events and on various committees.

Upon review of the testimony, your Committee finds that Ms. Augustiro's knowledge, experience, and commitment to her community further qualify her to be nominated for appointment to the Molokai Irrigation System Water Users Advisory Board representing nonhomestead farmer users. Testifiers commented on Ms. Augustiro's expertise in agriculture, her leadership skills in many community activities, and her reputation as an honest and respected member of the Molokai community. Testifiers noted that Ms. Augustiro brings dedication, skills, and energy to any task she takes on, and that her commitment to the community will be an asset to the Board. Ms. Augustiro indicated in her personal statement that she is very familiar with the physical assets and operation of the Molokai Irrigation System, and the nonhomestead farmer users are well known to her, as she has enjoyed a direct working relationship with some of the nonhomestead farmers over the years. Ms. Augustiro also noted her numerous, broad-ranging community service activities. Your Committee further finds that the Molokai Irrigation System Water Users Advisory Board will benefit from the knowledge, experience, and extensive community service that Ms. Augustiro will bring to the Board.

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, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1721 Water and Land on Gov. Msg. No. 661

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 661 JAMES GOMES, for a term to expire 06-30-2021

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 for reappointment to the Board of Land and Natural Resources.

Your Committee received testimony in support of the nomination for the reappointment of James Gomes from the Department of Land and Natural Resources; County of Maui Department of Public Works; Hawai'i Farm Bureau; Maui County Farm Bureau; Hawaii Cattlemen's Council, Inc.; Ocean Tourism Coalition; Maui Cattle Company; Haleakala Ranch; Kapapala Ranch; Ponoholo Ranch Limited; Diamond B Ranch; Kaupo Ranch, Ltd.; Kuahiwi Ranch; Kukaiau Ranch, LLC; Palani Ranch Company, Inc.; Puuwai Ranch and Nursery; Haupu Ranch, LLC; Nobriga's Ranch, Inc.; McCandless Land & Cattle Co.; Maui Boardsailing Association; Maui Soda & Ice Works, Ltd.; Quicksilver Charters; and sixteen individuals.

James Gomes is the Operations Manager at Ulupalakua Ranch, and holds a degree in Liberal Arts from Maui Community College. Mr. Gomes serves on numerous community boards, councils, and associations, including as a member of the Maui Cattlemen's Association Board, Central Maui Soil & Water Conservation District Board, and Chair and former Vice-Chair of the County of Maui Liquor Commission. Mr. Gomes has also served on the Board of Land and Natural Resources since 2013.

Upon review of the testimony, your Committee finds that Mr. Gomes' experience, background, and broad community involvement and service further qualify him to be nominated for reappointment to the Board of Land and Natural Resources. Testifiers commented on the nominee's long family history of ranching in Hawaii, and that the Board benefitted from the wealth of knowledge and experience in agriculture and land management that Mr. Gomes brought to the Board during his first term of service. Testifiers also noted the nominee's long-lasting commitment to service and willingness to give back to the community. Mr. Gomes indicated in his personal statement that the strongest attribute he brings to the Board is his commitment to the land of Hawaii, along with the unique first-hand experience he has had working within the rules and procedures of various agencies at the Department of Land and Natural Resources throughout his career. Your Committee further finds that with his extensive experience, knowledge, and commitment to public service, Mr. Gomes is and will continue to be an asset to the Board.

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, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1722 Water and Land on Gov. Msg. Nos. 669, 670, and 671

Recommending that the Senate advise and consent to the nominations of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 669 WILLIAM HAASE, for a term to expire 06-30-2020;

G.M. No. 670 THERESA MENARD, for a term to expire 06-30-2021; and

G.M. No. 671 JACOB TAVARES, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds William Haase, Theresa Menard, and Jacob Tavares to possess the requisite qualifications to be nominated to the Legacy Land Conservation Commission.

WILLIAM HAASE

Your Committee received testimony in support of the nomination for the appointment of William Haase from the Department of Land and Natural Resources, The Trust for Public Land, Advance Wildlife Education, and fifty-one individuals. Your Committee received comments on the nomination for the appointment of William Haase from one individual.

William Haase is the founding Executive Director of the Molokai Land Trust and has served on the Board of Directors for Hui Hoolana, a healing and arts retreat center in central Molokai. Mr. Haase holds a Bachelor of Science degree in Environmental Science from Evergreen State College. Mr. Haase has extensive nonprofit administration experience and has been serving as an interim appointee to the Legacy Land Conservation Commission since November 2016.

Your Committee finds that Mr. Haase has the background, experience, and commitment to public service to qualify for appointment to the Legacy Land Conservation Commission as a resident of Moloka'i and possessing membership in a land conservation organization organized in the State, pursuant to section 173A-2.4, Hawaii Revised Statutes. Testifiers commented that from the start of his interim appointment on the Commission, Mr. Haase has been an attentive and insightful participant, and that his experience with land trust operations and financing is an asset to the Commission. Testifiers noted his extensive background and knowledge in matters relevant to the Commission, and that Mr. Haase is respectful of Native Hawaiian culture and concerns and works well with local communities. The nominee indicated in his personal statement that serving on the Commission is a way to give back to the community through involvement in the process of how to best invest limited conservation funds to advance the protection of Hawaii's unique and precious natural resources. Mr. Haase noted that through his professional experience, he has first-hand knowledge of the process of applying for Legacy Land Conservation Program grants and has a strong understanding of successful land management and the tools available for land acquisition and stewardship activities. Your Committee further finds that the Commission will benefit from the skills and experience that Mr. Haase will contribute to the Commission.

THERESA MENARD

Your Committee received testimony in support of the nomination for the reappointment of Theresa Menard from the Department of Land and Natural Resources, The Nature Conservancy, and nine individuals.

Theresa Menard received a Bachelor of Science degree in Biology, with specialization in Ecology, Behavior, and Evolution, from the University of California, San Diego, and a Master of Science degree in Zoology, with specialization in Ecology, Evolution, and Conservation Biology, from the University of Hawaii at Manoa. Ms. Menard has been employed at The Nature Conservancy since 2002, and is currently a Geographic Information Systems Specialist. Ms. Menard has specialized skills in ArcGIS (mapping) and Vortex Population Modeling. Ms. Menard has published numerous academic articles in her field.

Your Committee finds that Ms. Menard has the education, skills, and experience which further qualify her for reappointment to the Legacy Land Conservation Commission as a member possessing scientific qualifications as evidenced by an academic degree, as specified in section 173A-2.4, Hawaii Revised Statutes. Testifiers commented that Ms. Menard is the current Chair of the Commission and has nurtured strong and productive working relationships with the other members of the Commission and the staff at the Department of Land and Natural Resources. Testifiers noted that Ms. Menard's background, expertise, and technical skills in biology, ecology, planning, geospatial analysis, and mapping are a great asset to the work of the Commission. The nominee indicated in her personal statement that serving on the Commission has been a career highlight and that she would like to continue to use the skills and talents she has developed as a conservation professional to assist the Commission in its effective use of state resources. Ms. Menard noted that her educational and professional background in science gives her the ability to evaluate the scientific value of projects that the Commission reviews. Your Committee further finds that the Commission will continue to benefit from the education and specialized skill-set that Ms. Menard will bring to the Commission through her reappointment and continued service.

JACOB TAVARES

Your Committee received testimony in support of the nomination for the appointment of Jacob Tavares from the Department of Land and Natural Resources, Hawaii Cattlemen's Council, Ponoholo Ranch Limited, and one individual.

Mr. Tavares is a Project Manager for Livestock Diversification at Hawaiian Commercial and Sugar Company and the sole proprietor of Anchor T Ranch. Mr. Tavares received a Bachelor of Business Administration from Gonzaga University. Mr. Tavares is an active community participant and is a member of the Hawaii Cattlemen's Council, Maui Cattlemen's Association Board member, Director of the United States Department of Agriculture Natural Resources Conservation Service Soil and Water Conservation Board: Olinda-Kula District, and Committee member of the Maui County Nutrition & Physical Activity Coalition.

Your Committee finds that Mr. Tavares has the background, experience, and commitment to community and public service which further qualify him for appointment to the Legacy Land Conservation Commission as a resident of Maui and possessing membership in a statewide agricultural association, pursuant to section 173A-2.4, Hawaii Revised Statutes. Testifiers commented that Mr. Tavares brings to the Commission the otherwise lacking participation of a dedicated, progressive representative of the agricultural future. Testifiers noted the nominee's extensive knowledge and experience as a sixth-generation Hawaii rancher and contemporary leader in the corporate transition from sugar-planting to diversified agricultural production. The nominee indicated in his personal statement that as a multi-generational resident of Hawaii with a long history of family participation in land and natural resource stewardship, he has a deep-rooted connection to the overall purpose of the Commission. Mr. Tavares noted that his professional background has allowed him to see agricultural and conservation efforts across the State and has given him an understanding of the many similarities and differences each island faces in conserving natural resources. Your Committee further finds that the Commission will benefit from the background and experience that Mr. Tavares will bring to the Commission.

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, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1723 Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 55

The purpose and intent of this measure is to request the Attorney General to review gun amnesty programs in other states and their potential applicability in Hawaii.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that illegal firearms pose a serious danger to the health, safety, and welfare of the public. To combat the proliferation of illegal firearms, some jurisdictions have implemented gun amnesty programs that allow individuals to surrender firearms to police for compensation, without the risk of questioning, arrest, or prosecution. Reports indicate that under these types of gun amnesty programs, the surrendered firearms were often firearms that were illegally obtained or lost by the legal owner. Your Committee finds that a gun amnesty program modeled after programs of other jurisdictions would provide a means of removing illegal and dangerous firearms from the streets.

Accordingly, this measure requests the Attorney General to:

- (1) Review gun amnesty programs in other states and assess their potential applicability in Hawaii;
- (2) Confer with the Chief of Police of each county to identify potential barriers to implementation of a gun amnesty program in the State; and
- (3) Submit a report of any findings and recommendations to the Legislature prior to the convening of the Regular Session of 2018.

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. 55, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 1724 Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 133

The purpose and intent of this measure is to:

- (1) Urge law enforcement agencies to follow the guidelines developed by the Malama Kakou Project for the testing of sexual assault evidence collection kits;
- (2) Request the appropriate law enforcement agencies to submit sexual assault evidence collection kits that meet the testing guidelines to a laboratory for testing within ninety days and subsequently follow-up with that laboratory within ninety days of the request; and
- (3) Request an annual report from the Department of the Attorney General on the testing of sexual assault evidence collection kits in the State.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women; Community Alliance on Prisons; Planned Parenthood Votes Northwest and Hawaii; Joyful Heart Foundation; and Ho‘omana Pono, LLC.

Your Committee finds that reducing the incidence of sexual assault and ensuring the rights of sexual assault victims are vital to ensuring public health and safety. An inventory of all four county police departments showed that approximately thirteen percent of all sexual assault evidence collection kits collected in the State since 1992 had been tested as of June 30, 2016. In 2016, at the direction of the Legislature, the Attorney General convened a working group to develop statewide standards and practices for the testing of sexual assault evidence collection kits. This working group developed the Malama Kakou Project, a state plan to reform the testing of sexual assault evidence collection kits. The Malama Kakou Project established guidelines to determine whether a kit should be tested, a priority order for kits that are to be tested, and a process for police departments to follow in implementing the defined criteria and priorities. Your Committee finds that the recommendations of the Malama Kakou Project would greatly enhance the process for testing sexual assault evidence collection kits. Therefore, all law enforcement agencies in the State charged with collecting sexual assault evidence collection kits are urged to follow the guidelines developed by the Malama Kakou Project.

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. 133, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 1725 Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 134

The purpose and intent of this measure is to request the Judiciary to convene a task force to examine and make recommendations regarding criminal pretrial practices and procedures to maximize public safety, court appearances, and pretrial release.

Your Committee received testimony in support of this measure from the Department of Public Safety; Judiciary, State of Hawaii; American Civil Liberties Union; Community Alliance on Prisons; Ho‘omana Pono, LLC; and one individual.

Your Committee finds that reforming the correctional system to implement effective and efficient pretrial release policies is important for protecting the rights of the public and the accused. Proper pretrial release procedures allow officials to assess flight and danger risks and provide guidance for the proper supervision for different types or levels of risk. In addition, better pretrial procedures would help the State combat the overcrowding in its correctional facilities.

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. 134, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 1726 Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 158

The purpose and intent of this measure is to encourage the continuation and expansion of community-based work furlough programs to assist female inmates transition back into society.

Your Committee received testimony in support of this measure from the Department of Public Safety; Community Alliance on Prisons; Planned Parenthood Votes Northwest and Hawaii; YWCA O‘ahu; Ho‘omana Pono, LLC; and two individuals.

Your Committee finds that supporting the expanded use of alternatives to incarceration is essential for promoting public welfare and reforming the State’s correctional system. The expanded use of alternatives to incarceration is particularly important for the State’s population of female inmates. The majority of female inmates are nonviolent offenders who do not pose a threat to the community. In addition, many female inmates are the mothers of minor children, and their incarceration threatens the destruction of the family unit. Further, many female offenders are re-incarcerated if they do not receive proper support during their transition back into society. Community-based work furlough programs can be an effective means of transitioning inmates back into society. Moreover, these work furlough programs can help reduce incarceration costs, reduce recidivism, and create safer communities. Accordingly, community-based work furlough programs designed to help female inmates transition back into society should be continued and expanded.

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. 158, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 1727 Public Safety, Intergovernmental, and Military Affairs on H.C.R. No. 157

The purpose and intent of this measure is to:

- (1) Request that the Correctional Justice Task Force created by House Concurrent Resolution No. 85, S.D. 1 (2016) continue its study of effective incarceration policies to reduce the detainee and inmate population while preserving public safety, lower recidivism, and improve Hawaii's correctional system;
- (2) Request that the Judiciary and the Department of Public Safety provide administrative support to the Correctional Justice Task Force; and
- (3) Request that the Correctional Justice Task Force, with assistance from the Legislative Reference Bureau, submit a report of its continued findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2019.

Your Committee received testimony in support of this measure from the Judiciary, State of Hawai'i; Department of Public Safety; American Civil Liberties Union; Community Alliance on Prisons; Ho'omana Pono, LLC; and two individuals.

Your Committee finds that addressing the State's ever-increasing prison population is essential for maintaining public safety and welfare. Over the past two decades, long prison sentences and increased recidivism have contributed to a spike in the prison population across the country. Increases in the prison population lead to greater funding needs for corrections and corrections facilities at the expense of other necessary government programs. To address inefficiencies and inadequacies in Hawaii's correctional system, the Legislature, through House Concurrent Resolution No. 85, S.D. 1 (2016), created the Correctional Justice Task Force to provide guidance and suggest improvements regarding Hawaii's incarceration policies, correctional system, and the design of future correctional facilities. Since its inception, the Task Force has made valuable contributions aimed at improving the State's correctional operations. However, the Task Force is set to dissolve after 2017. Your Committee finds that the Correctional Judicial Task Force created by House Concurrent Resolution No. 85, S.D. 1 (2016) should continue its study of effective incarceration policies to reduce the detainee and inmate population while preserving public safety, lower recidivism, and improve Hawaii's correctional 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 concurs with the intent and purpose of H.C.R. No. 157, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Ihara, Thielen).

SCRep. 1728 Ways and Means on H.C.R. No. 129

The purpose and intent of this measure is to request the Department of Health to convene a working group, with the assistance of the American Cancer Society Hawaii Pacific and the American Cancer Society Cancer Action Network, to develop recommendations to increase colorectal cancer screening rates in the State.

Your Committee received written comments in support of this measure from the Department of Health, University of Hawaii Cancer Center, American Cancer Society Cancer Action Network, Hawaii Primary Care Association, and sixteen individuals.

Your Committee finds that colorectal cancer is the second leading cause of cancer deaths for men and the third leading cause of cancer deaths for women in the State. Your Committee recognizes that Hawaii currently has a screening rate of seventy percent, with a goal of reaching an eighty percent screening rate by 2020. Your Committee believes that convening a working group to increase colorectal cancer screening rates will help to reduce the burden of colorectal cancer on Hawaii residents through early detection and treatment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 8. Noes, none. Excused, 3 (Galuteria, Inouye, Kahele).

SCRep. 1729 Ways and Means on H.C.R. No. 161

The purpose and intent of this measure is to request the MedQUEST Administrator to convene a working group relating to complex patients.

More specifically, the working group is requested to:

- (1) Evaluate the issue of complex patients who are waitlisted in hospitals because of medical or behavioral health issues; and
- (2) Consider solutions that include incentive or add-on payments to encourage the transfer of those patients out of hospitals and into more appropriate settings.

Your Committee received written comments in support of this measure from The Queen's Health Systems, Kaiser Permanente, the Healthcare Association of Hawaii, Hawaii Pacific Health, the American Organization of Nurse Executives Hawaii, and Castle Medical Center.

Your Committee finds that there are hospitalized individuals who have recovered sufficiently to no longer need the acute level of care that a hospital provides, but who still have complex medical or behavioral health needs that require intensive services. These patients remain in hospitals for many weeks or months after the appropriate date of discharge because, due to insufficient reimbursements from Medicaid, necessary intensive services are often too costly for long-term care facilities to provide. Therefore, these patients become “waitlisted” patients. Your Committee also finds that according to a 2014 report, there were 7,055 waitlisted patients in Hawaii hospitals in 2011, who required care at an average cost of \$1,404 per day, which resulted in a loss to hospitals of approximately \$62,700,000 for that year.

Your Committee believes that transferring waitlisted patients to long-term care facilities would make more hospital beds available to patients who actually need acute care services, while also freeing hospitals from the obligation to provide lower-reimbursement, long-term care services. Your Committee therefore finds that it is appropriate to consider possible solutions that would facilitate the 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 concurs with the intent and purpose of H.C.R. No. 161, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Kahele).

SCRep. 1730 Ways and Means on H.C.R. No. 47

The purpose and intent of this measure is to request the Department of Transportation to study the need for and feasibility of establishing a government-subsidized interisland ferry system between the islands of Molokai and Maui.

Your Committee received written comments in support of this measure from the Department of Transportation and two individuals.

An individual submitted written comments on the measure.

Your Committee recognizes that since the termination of ferry service between Molokai and Maui in 2016, air transportation has been the only commercial option for travel between Molokai and the other major islands. Your Committee believes that a renewed ferry service between Molokai and Maui would provide a practical, cost-effective way for residents, visitors, and workers to travel between these two islands. A study on the need for and feasibility of establishing that service would provide important information for further consideration.

As 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. 47, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Kahele).

SCRep. 1731 Ways and Means on H.C.R. No. 67

The purpose and intent of this measure is to request the Department of Transportation to construct a roundabout at the intersection of Kamehameha Highway and Kahekili Highway on Oahu.

Your Committee received written comments in opposition to this measure from the Department of Transportation.

Your Committee finds that the intersection of Kamehameha Highway and Kahekili Highway on the island of Oahu is dangerous for drivers and pedestrians, and contributes to excessive traffic congestion during rush-hour. Your Committee further finds that roundabout intersections can increase traffic safety, increase traffic capacity of a roadway, and decrease commute times. Accordingly, your Committee believes that construction of a roundabout at the intersection of Kamehameha Highway and Kahekili Highway can lessen the safety and traffic problems caused by the intersection.

As 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. 67, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 9. Noes, none. Excused, 2 (Inouye, Kahele).

SCRep. 1732 Ways and Means on H.C.R. No. 113

The purpose and intent of this measure is to call on the federal government and states to lower costs for consumers, create more jobs, and reduce the impacts of climate change on the economy by replacing fossil fuels with renewable energy.

Your Committee received written comments in support of this measure from two individuals.

Your Committee received written comments on this measure from the Division of Consumer Advocacy, Department of Commerce and Consumer Affairs.

Your Committee finds that human activity has caused an alarming increase in greenhouse gases, including carbon dioxide, which is primarily produced by the use of fossil fuels. Between 1958 and 2017, atmospheric carbon dioxide increased by approximately thirty percent, resulting in a rapidly warming planet. Climate change leads to rising sea levels, drought, and natural disasters, which impose great financial costs on federal, state, and local governments and ultimately taxpayers. Accordingly, your Committee believes that residents in all states stand to benefit from a reduction in the carbon pollution that drives climate change.

As 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. 113, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 1733 Ways and Means on H.C.R. No. 143

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to develop a master plan for the Hilo International Aerospace and Technology Park.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii, the Pacific International Space Center for Exploration Systems, and one individual.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism and the High Technology Development Corporation.

Your Committee finds that the Hilo area is appropriate for the development and operation of an international park for aerospace and technology activities that could generate economic and educational opportunities for the State. Your Committee further finds that the Department of Business, Economic Development, and Tourism is the appropriate agency to lead the collaborative effort to develop a detailed, strategic master plan for the park.

As 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. 143, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 1734 Economic Development, Tourism, and Technology on Gov. Msg. Nos. 781 and 782

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 781 KELLY SANDERS, for a term to expire 06-30-2020; and

G.M. No. 782 SHERRY MENOR-MCNAMARA, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kelly Sanders and Sherry Menor-McNamara to possess the requisite qualifications to be nominated to the Board of Directors of the Hawaii Tourism Authority.

KELLY SANDERS

Your Committee received testimony in support of the nomination for the appointment of Kelly Sanders from the Department of Land and Natural Resources; Waikiki Improvement Association; American Diabetes Association; Adult Friends for Youth; Kyo-ya Management Co., Ltd.; American Heart Association; Diamond Head Theatre; and three individuals.

Ms. Sanders is currently the General Manager and Area General Manager for the Sheraton Waikiki, Royal Hawaiian, Westin Moana Surfrider Resort and Spa, Sheraton Princess Kaiulani, and Sheraton Maui. Prior to her service in the tourism industry in Hawaii, Ms. Sanders was the General Manager at the Sheraton San Diego Hotel & Marina and Hotel Manager for the Westin Gas Lamp in San Diego. She is the recipient of numerous awards recognizing her skill in hotel management, including the Community Empowerment Award by the Council for Native Hawaiian Advancement in 2016. Ms. Sanders is also active in serving the community through membership on the Boy Scouts of America, Diamond Head Theatre, and Gregory House Programs Boards of Directors. Ms. Sanders' leadership, professional experience, and community service experience will serve as assets to the Board of Directors of the Hawaii Tourism Authority.

SHERRY MENOR-MCNAMARA

Your Committee received testimony in support of the nomination for the appointment of Ms. Sherry Menor-McNamara from the Department of Land and Natural Resources, Chamber of Commerce Hawaii, and three individuals.

Ms. Menor-McNamara is the President and Chief Executive Officer of the Chamber of Commerce Hawaii (Chamber). Prior to serving as President and CEO, Ms. Menor-McNamara served as the Chief Operating Officer and Senior Vice President of Government Affairs for the Chamber. She also previously worked as the Event Manager for the Sheraton Hawaii Bowl through M2C, Inc., and ESPN Sports. Ms. Menor-McNamara received a Juris Doctor and Master of Business Administration from the University of Hawaii at Manoa and she has strived to bring those learned skillsets and experiences to each of her endeavors. She is also immersed in civic and community engagement activities, including service as a Trustee of the JAIDS Foundation Board of Trustees and The Queen's Health Systems and Queen's Medical Center Board of Trustees, and as a Director of the Girls Scouts of Hawaii Board of Directors and Move Oahu Forward Board of Directors and Executive Committee. Ms. Menor-McNamara's vast business, tourism, and community service experience will contribute greatly to the Board of Directors of the Hawaii Tourism Authority.

As affirmed by the records of votes of the members of your Committee on Economic Development, Tourism, and Technology that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Vice Chair on behalf of the Committee.

For Gov. Msg. No. 781: Ayes, 3. Noes, none. Excused, 2 (Baker, Thielen).

For Gov. Msg. No. 782: Ayes, 4. Noes, none. Excused, 1 (Wakai).

SCRep. 1735 Government Operations on Gov. Msg. Nos. 792, 793, and 794

Recommending that the Senate advise and consent to the nominations of the following:

PROCUREMENT POLICY BOARD

G.M. No. 792 GARY KUROKAWA, for a term to expire 06-30-2020;

G.M. No. 793 JAMES MASTIN, for a term to expire 06-30-2020; and

G.M. No. 794 LENA CULLISON, for a term to expire 06-30-2019

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Gary Kurokawa, James Mastin, and Lena Cullison to possess the requisite qualifications to be nominated for appointment to the Procurement Policy Board.

GARY KUROKAWA

Your Committee received testimony in support of the nomination for the appointment of Gary Kurokawa from the Department of Accounting and General Services; State Procurement Office; Chamber of Commerce Hawaii; General Contractors Association of Hawaii; Ralph S. Inouye Co. Ltd.; and one individual.

Your Committee finds that Mr. Kurokawa has wide-ranging knowledge and experience in government processes and management, including in areas relevant to service on the Procurement Policy Board such as budgets and fiscal controls and procurement and purchasing. Mr. Kurokawa is currently the Chief of Staff to the Mayor of the City and County of Honolulu, and served for nearly thirty years as Administrator and Deputy Director of Budget and Fiscal Services for the City and County of Honolulu. In his professional career, Mr. Kurokawa has monitored and directed the county procurement and purchasing processes, led all counties in the State to promote legislative initiatives and provide statewide technical expertise in training and operational policies, and implemented large scale software migration to automate internal and external work processes. Your Committee further finds that Mr. Kurokawa's public procurement knowledge and experience, including firsthand understanding of the process and challenges of the procurement code, will be strong assets to the Procurement Policy Board which further qualify him for appointment to the Board as a member who is a county employee with significant high-level procurement experience, as required by section 103D-201, Hawaii Revised Statutes.

JAMES MASTIN

Your Committee received testimony in support of the nomination for the appointment of James Mastin from the Department of Accounting and General Services, State Procurement Office, and one individual.

Your Committee finds that Mr. Mastin has been involved in federal procurement for over thirty years, and is currently a Procurement Analyst in the Expeditionary Contracting Command in the Small Business Office for the Department of Defense. In his current position, Mr. Mastin reviews acquisitions and makes recommendations for all acquisitions over \$10,000, and is the United States Army's only Small Business Professional in the Pacific region. In this role, Mr. Mastin supports the planning and implementation of programs to increase small business opportunities in federal government contract work by implementing policies designed to ensure consistent application of subcontracting requirements with respect to small businesses and providing guidance on socio-economic opportunities and programs affecting various types of small businesses. Your Committee further finds that Mr. Mastin's vast experience in federal procurement, including awareness and knowledge of the challenges facing small businesses in the procurement process, and his commitment to service will be strong assets to the Procurement Policy Board which further qualify him for appointment to the Board as a member who is a full-time employee of the State or any county and who has significant high-level, federal procurement experience, as required by section 103D-201, Hawaii Revised Statutes.

LENA CULLISON

Your Committee received testimony in support of the nomination for the appointment of Lena Cullison from the Department of Accounting and General Services, State Procurement Office, and nine individuals.

Your Committee finds that Ms. Cullison is an Analyst in Strategic Procurement for Hawaiian Airlines, Inc. Ms. Cullison has a wide range of private sector experience including in all aspects of procurement, business planning, and contract drafting and negotiation. Ms. Cullison received a Master of Business Administration from Shidler College of Business and a Juris Doctor from William S. Richardson School of Law. The nominee indicated in her personal statement that she would like to contribute the experience, knowledge, and best practices she has gained from her private sector experience to serve effectively on the Procurement Policy Board and improve efficiencies in the State procurement process and contract administration. Your Committee further finds that Ms. Cullison's professional experience and education, and commitment to service, will be strong assets to the Procurement Policy Board which further qualify her for appointment to the Board as a general member who is not a full-time employee of the State or any county, pursuant to section 103D-201, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committee on Government Operations 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 (Tokuda).

SCRep. 1736 Education on Gov. Msg. No. 723

Recommending that the Senate advise and consent to the nomination of the following:

EARLY LEARNING ADVISORY BOARD

G.M. No. 723 JIN CHANG, for a term to expire 06-30-2020

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jin Chang to possess the requisite qualifications to be nominated to the Early Learning Advisory Board.

Your Committee received testimony in support of the nomination for the appointment of Jin Chang from the State Public Charter School Commission, Native Hawaiian Education Council, Hawai'i State Center for Nursing, and seven individuals.

Upon review of the testimony, your Committee finds that Mr. Chang's experience as an education professional and extensive history of public service further qualify him to be nominated for appointment to the Early Learning Advisory Board. Your Committee notes that Mr. Chang has considerable experience as a preschool teacher and preschool administrator. Mr. Chang is currently the Co-Program Manager for the Partners in Development Foundation, a Family Child Interaction Learning (FCIL) program that focuses specifically on the early childhood development and family support/strengthening needs of at-risk and homeless families and children. He has also spent many years advocating for the needs of these families and children at the community, state, and national levels as part of larger FCIL programs. Your Committee finds that Mr. Chang's experience as an educator and his commitment to the needs of Hawaii's students will be great assets to the Early Learning Advisory Board.

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 (Espero, Riviere).

SCRep. 1737 Water and Land on Gov. Msg. Nos. 795 and 796

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 795 KAMANAMAICALANI BEAMER, for a term to expire 06-30-2021; and

G.M. No. 796 PAUL MEYER, for a term to expire 06-30-2021

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kamanamaikalani Beamer and Paul Meyer to possess the requisite qualifications to be nominated for appointment to the Commission on Water Resource Management.

KAMANAMAICALANI BEAMER

Your Committee received testimony in support of the nomination for the reappointment of Kamanamaikalani Beamer from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Sierra Club of Hawai'i, KAHEA: the Hawaiian-Environmental Alliance, Pō'ai Wai Ola: West Kaua'i Watershed Alliance, Commercial Farm, and twenty-eight individuals.

Kamanamaikalani Beamer received an Associate of Arts degree from Marymount College, and a Bachelor of Arts degree in Hawaiian Studies and Philosophy, Master of Arts degree in Geography, and Ph.D. in Geography from the University of Hawaii. Dr. Beamer also earned a Certificate at the First Nations Futures Institute at Stanford University. Since 2012, Dr. Beamer has been an Associate Professor at the University of Hawaii, Hawaiiinuiakea School of Hawaiian Knowledge and William S. Richardson School of Law, Hui'Āina Momona Program. Dr. Beamer has published extensively in his field and is an invited speaker at numerous domestic and international conferences, forums, and media events. Dr. Beamer currently serves on the Commission on Water Resource Management.

Upon review of the testimony, your Committee finds that Dr. Beamer's education, professional experience, and proven leadership further qualify him to be nominated for reappointment to the Commission on Water Resource Management. Testifiers commented that Dr. Beamer's extensive background and knowledge of the State's water resource issues made him a tremendous asset to the Commission during his first term, and contributed to enriching the Commission's discussions and resolutions over the past three years. Testifiers noted that the nominee has a substantial and culturally-grounded understanding of the need to uphold the public trust in Hawaii's water resources. Dr. Beamer indicated in his personal statement that he is committed to the Commission's mission to protect and enhance the water resources of Hawaii through wise and responsible management, and noted that his educational and professional background, including research for his published works, have given him significant experience in the area of water resource management throughout Hawaii. Your Committee further finds that the Commission will continue to benefit from the knowledge and experience that Dr. Beamer brings to the Commission.

PAUL MEYER

Your Committee received testimony in support of the nomination for the appointment of Paul Meyer from the Department of Land and Natural Resources, Hawai'i Farm Bureau, Maui County Farm Bureau, and one individual.

Paul Meyer recently retired as the Deputy Director of the Department of Water Supply of the County of Maui after holding the position since 2010. Mr. Meyer has an extensive background in business and financial consulting, including as Principal at Meyer Associates, LLC; Executive Vice President of Finance at Maui Land & Pineapple Company, Inc.; and Chief Financial Officer, Treasurer, and Secretary at Victoria Station Incorporated. Mr. Meyer holds a Bachelor of Science and Bachelor of Business Administration from Loyola University Chicago, and has completed the requirements for a Master of Business Administration at the University of California Berkeley. Mr. Meyer is involved in numerous community and social organizations, and was honorably discharged as Sergeant from the United States Army Reserve.

Upon review of the testimony, your Committee finds that Mr. Meyer's broad professional experience, proven leadership, and commitment to public service further qualify him to be nominated for appointment to the Commission on Water Resource Management. Testifiers commented that Mr. Meyer has extensive and substantial water resource management experience and

expertise in public and private water supply system management. Testifiers noted that the nominee is a seasoned executive with leadership and financial oversight skills and experience, as well as an expansive range of knowledge in areas relevant to the Commission, including engineering, agriculture, land management, and energy development. Mr. Meyer indicated in his personal statement that he has the background, training, and experience to contribute materially and in a constructive manner to the Commission. The nominee notes that water and the issue of water use are critical to the communities in Hawaii, and he hopes to contribute to the wise, efficient, and effective use of this vital public resource. Your Committee further finds that Mr. Meyer's knowledge and experience will be an asset to the Commission.

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, 3. Noes, none. Excused, 2 (Gabbard, Kim).

SCRep. 1738 Education on H.C.R. No. 28

The purpose and intent of this measure is to request additional funding for education from the United States Department of Education.

Your Committee received testimony in support of this measure from the Department of Education, State Public Charter School Commission, and two individuals.

Your Committee finds that funding for education is a vital investment in the State's children and the future of Hawaii. Your Committee further finds that the federal Every Student Succeeds Act provides states with an opportunity to further shape school systems in a way that will best prepare students for the future. Your Committee additionally finds that additional resources from the United States Department of Education will facilitate the continued development of effective public education in Hawaii and throughout the nation.

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. 28, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 3. Noes, none. Excused, 2 (Espero, Riviere).

SCRep. 1739 Ways and Means on Gov. Msg. No. 609

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 609 PATRICK ING, for a term to expire 06-30-2018

Your Committee reviewed the resume and personal statement submitted by Patrick Ing for service on the Board of Taxation Review for the 2nd Taxation District (Maui).

Your Committee received testimony in support of the nomination of Patrick Ing from the Department of Taxation.

Upon review of the testimony, your Committee finds that the nominee's many years of service in the areas of taxation, auditing, and accounting, as well as his service on various community boards, qualify him to serve on the Board of Taxation Review for the 2nd Taxation District. Your Committee notes that Mr. Ing received a Master of Accounting degree from the University of Hawaii at Manoa. Mr. Ing is a certified public accountant and has more than twenty-five years of experience, with twenty-two years of experience working in his own accounting practice. Prior to starting his own practice, Mr. Ing worked with Robert H.Y. Leong & Company.

Mr. Ing is a member of several professional and community organizations, including the Hawaii Society of Certified Public Accountants, where he previously served as Director. Mr. Ing also previously served on the Board of Taxation Review for the 2nd Taxation District. Your Committee believes that the nominee's extensive experience and dedication would benefit the Board of Taxation Review, as well as Hawaii taxpayers and the tax 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kaele).

SCRep. 1740 Ways and Means on Gov. Msg. No. 610

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 610 RICHARD DRAYSON, for a term to expire 06-30-2018

Your Committee reviewed the resume and personal statement submitted by Richard Drayson for service on the Board of Taxation Review for the 2nd Taxation District (Maui).

Your Committee received testimony in support of the nomination of Richard Drayson from the Department of Taxation.

Upon review of the testimony, your Committee finds that the nominee's many years of service in the areas of tax, auditing, and accounting, as well as his extensive service to the accounting community, qualify him to serve on the Board of Taxation Review for the 2nd Taxation District. Your Committee notes that Mr. Drayson received a Master of Accounting degree from the University of Hawaii at Manoa. Mr. Drayson is a certified public accountant and has over forty years of experience in partnership with various Certified Public Accountants in general practice, as well as work experience with Haskins & Sells, CPAs.

Mr. Drayson served for one term as the Maui Representative on the Board of the Hawaii Society of CPA's. Mr. Drayson also served as President of the Kahului Rotary Club. Your Committee notes that the Hawaii State House of Representatives of the Sixteenth Legislature bestowed upon him the 1992 Accountant Advocate of the Year Award. Your Committee believes that the nominee's extensive experience and dedication would benefit the Board of Taxation Review, as well as Hawaii taxpayers and the tax 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kahele).

SCRep. 1741 Ways and Means on Gov. Msg. No. 611

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 611 WILLIAM CURTIS, for a term to expire 06-30-2017

Your Committee reviewed the resume and personal statement submitted by William Curtis for service as the Vice Chairperson of the Board of Taxation Review for the 2nd Taxation District (Maui).

Your Committee received testimony in support of the nomination of William Curtis from the Department of Taxation.

Upon review of the testimony, your Committee finds that the nominee's many years of business experience qualify him to serve on the Board of Taxation Review for the 2nd Taxation District. Your Committee notes that Mr. Curtis attended Menlo College, School of Business Administration with an emphasis in Accounting. Mr. Curtis has over thirty-four years of work experience with various construction and building companies on Maui as a construction manager, superintendent, estimator, computer systems administrator, and data processing manager. Mr. Curtis is active within his community and has served on the Board of Directors of the Maui Orchid Society.

Your Committee believes that Mr. Curtis' perspective as a business owner and resident taxpayer will be beneficial in resolving tax matters that come before the Board of Taxation Review. Your Committee further believes that Mr. Curtis' extensive business experience and background will benefit the Board of Taxation Review, as well as Hawaii taxpayers and the tax 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kahele).

SCRep. 1742 Ways and Means on Gov. Msg. No. 612

Recommending that the Senate advise and consent to the nomination of the following:

VICE CHAIRPERSON OF THE BOARD OF TAXATION REVIEW, 2ND TAXATION DISTRICT (MAUI)

G.M. No. 612 WILLIAM CURTIS, for a term to expire 06-30-2021

Your Committee reviewed the personal statement and resume submitted by William Curtis for service on the Board of Taxation Review for the 2nd Taxation District (Maui).

Your Committee received testimony in support of the nomination of William Curtis from the Department of Taxation.

Upon review of the testimony, your Committee finds that the nominee's many years of business experience and background qualify him to serve on the Board of Taxation Review for the 2nd Taxation District. Mr. Curtis attended the School of Business Administration at Menlo College, with an emphasis in Accounting. As a General Contractor licensee with more than thirty-four years of work experience as a construction manager, superintendent, estimator, computer systems administrator, and data processing manager, your Committee believes Mr. Curtis is suitably qualified to serve on the Board. Your Committee also notes that Mr. Curtis is active in the Maui community and has served on the Board of Directors of the Maui Orchid Society.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kahele).

SCRep. 1743 Ways and Means on Gov. Msg. No. 676

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 3RD TAXATION DISTRICT (HAWAII)

G.M. No. 676 RICHARD ROVELSTAD, for a term to expire 06-30-2021

Your Committee reviewed the personal statement and resume submitted by Richard Rovelstad for service for a second term on the Board of Taxation Review for the 3rd Taxation District (Hawaii).

Your Committee received testimony in support of the nomination of Richard Rovelstad from the Department of Taxation.

Upon review of the testimony, your Committee finds that the nominee is an exceptionally qualified candidate capable of continued service as a member of the Board of Taxation Review for the 3rd Taxation District. Dr. Rovelstad earned a Doctor of Philosophy in Accounting degree from the University of Alabama, a Masters of Business Administration degree from the University of Minnesota, and a Bachelor of Arts degree from Saint Olaf College. Dr. Rovelstad has been active in academics since 1974 and is an Associate Professor of Business Emeritus. He was formerly an Associate Professor of Business and interim Dean of the Michael E. Stephens College of Business at the University of Montevallo in Alabama. Dr. Rovelstad is also a certified public accountant and a member of the Hawaii Society of Certified Public Accountants, Alabama Society of CPAs, and the American Institute of Certified Public Accountants. Your Committee believes that his knowledge of business, accounting, and taxation offers an academic perspective that is of great assistance to the Board as it fulfills its duty to Hawaii taxpayers and the tax 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kaehele).

SCRep. 1744 Ways and Means on Gov. Msg. No. 677

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT (O'AHU)

G.M. No. 677 NEIL HIRASUNA, for a term to expire 06-30-2019

Your Committee reviewed the personal statement and resume submitted by Neil Hirasuna for service on the Board of Taxation Review for the 1st Taxation District (Oahu).

Your Committee received testimony in support of the nomination of Neil Hirasuna from the Department of Taxation.

Upon review of the testimony, your Committee finds that the nominee's many years of experience in the areas of tax, auditing, and accounting qualify him to serve on the Board of Taxation Review for the 1st Taxation District. Your Committee notes that Mr. Hirasuna received Bachelor of Science in Accounting and Masters of Accounting degrees from the University of Southern California. Mr. Hirasuna is a certified public accountant and is employed by Deloitte & Touche LLP, Honolulu, as an Audit Senior Manager/Manager. Prior to his employment in the Honolulu office of Deloitte & Touche LLP, Mr. Hirasuna was employed by the Los Angeles office of Deloitte & Touche LLP, as an Audit Associate from 2007-2009. Your Committee believes that Mr. Hirasuna's audit and audit management knowledge will be of great assistance to the Board as it fulfills its duty to Hawaii's taxpayers and the tax 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Kaehele).

SCRep. 1745 Water and Land on Gov. Msg. Nos. 817, 818, 819, 820, 821, 822, 823, and 824

Recommending that the Senate advise and consent to the nominations of the following:

GAME MANAGEMENT ADVISORY COMMISSION

- G.M. No. 817 ROBERT CREMER, for a term to expire 06-30-2019;
- G.M. No. 818 NANCY TIMKO, for a term to expire 06-30-2020;
- G.M. No. 819 RYAN KOHATSU, for a term to expire 06-30-2020;
- G.M. No. 820 JOSIAH JURY, for a term to expire 06-30-2019;
- G.M. No. 821 LORI BUCHANAN, for a term to expire 06-30-2019;
- G.M. No. 822 JEFFERY DEREGO, for a term to expire 06-30-2020;
- G.M. No. 823 STANLEY RUIDAS, for a term to expire 06-30-2018; and
- G.M. No. 824 JON SABATI, for a term to expire 06-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Robert Cremer, Nancy Timko, Ryan Kohatsu, Josiah Jury, Lori Buchanan, Jeffery DeRego, Stanley Ruidas, and Jon Sabati to possess the requisite qualifications to be nominated to the Game Management Advisory Commission.

Your Committee notes that the Game Management Advisory Commission was established pursuant to Act 210, Session Laws of Hawaii 2016, and that the aforementioned individuals represent the inaugural nominees to the Commission. Pursuant to Act 210, codified at section 183D-4.5, Hawaii Revised Statutes, membership on the Commission shall include: one member from the County of Kauai; three members from the County of Maui, with one member from each of the islands of Maui, Lanai, and Molokai; two members from the County of Hawaii, with one member from east Hawaii and one member from west Hawaii; one member from the City and County of Honolulu; one at-large member; and the Chairperson of the Board of Land and Natural Resources or the Chairperson's designated representative. Furthermore, each member, other than the Chairperson of the Board, shall be a hunter licensed in the State and shall have leadership experience in working directly with local hunter or shooting organizations; at least one member shall have knowledge, experience, and expertise in the area of Native Hawaiian cultural practices; and no more than three members shall represent, be employed by, or be under contract to any sector of government. Your Committee finds that the eight nominees below fulfill the statutory qualifications for service on the Commission.

ROBERT CREMER

Your Committee received testimony in support of the nomination for the appointment of Robert Cremer from the Department of Land and Natural Resources, Hawaii Sportsmen's Alliance, Hawaii Hunting Association, Hawaii Crop Improvement Association, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Cremer qualifies for appointment to the Game Management Advisory Commission as a member from the County of Kauai. Mr. Cremer is a licensed hunter and outdoor enthusiast and is a member of the Hawaii Hunting Association and Chair of the Hunting Committee on Kauai with the Hawaii Rifle Association. Mr. Cremer is active in coaching community youth and high school sports and has previously been a member of the Kapaa Pop Warner Association Board and Kapaa Little League Board. Testifiers commented that the nominee cares deeply about the hunting community and culture and is active and respected throughout his island community, and that the nominee's broad civic involvement and ability to work collaboratively with others will be an asset to the Commission. Mr. Cremer indicated in his personal statement that he hopes to effect positive change with the Department of Land and Natural Resources and their partnerships toward a sustainable integrated statewide game management system. Your Committee finds that Mr. Cremer will bring a number of strengths to the Commission and supports his nomination.

NANCY TIMKO

Your Committee received testimony in support of the nomination for the appointment of Nancy Timko from the Department of Land and Natural Resources and two individuals. Your Committee received testimony in opposition to the nomination for the appointment of Nancy Timko from the Hawaii Hunting Association and one individual.

Upon review of the testimony, your Committee finds that Ms. Timko qualifies for appointment to the Game Management Advisory Commission as a member from the City and County of Honolulu or at-large member. Ms. Timko is an active licensed hunter and President of Safari Club International, Hawaii Chapter, where she previously served as Vice-President and member of the Board of Directors. Testifiers commented that the nominee has been an asset to the Hawaii Conservation and Wilderness Project's annual youth camp as a leader in working closely with the Hawaii Hunter Education Program in conducting the camp. The nominee indicated to your Committee her desire to see hunting traditions passed down to youth and made accessible for generations to come, and that while serving on the Commission she would like to see access to public hunting areas opened on all islands if possible and different hunting organizations communicate and work together. Your Committee finds that the Commission will benefit from Ms. Timko's energy and perspectives and supports her nomination.

RYAN KOHATSU

Your Committee received testimony in support of the nomination for the appointment of Ryan Kohatsu from the Department of Land and Natural Resources, Hawaii Hunting Association, Hawaii Sportsmen's Alliance, and four individuals.

Upon review of the testimony, your Committee finds that Mr. Kohatsu qualifies for appointment to the Game Management Advisory Commission as a member from the County of Hawaii from East Hawaii. Mr. Kohatsu is an active licensed hunter with over twenty years of shooting experience. Mr. Kohatsu previously served as a Commissioner with the County of Hawaii Game Management Advisory Commission, currently volunteers as a Hawaii State Hunter Education instructor, and is a certified pistol instructor with the National Rifle Association. Testifiers commented on Mr. Kohatsu's years of experience with hunting issues on the Big Island, that he has the intellect, management skills, and temperament to serve the Commission well, and that Mr. Kohatsu has dedicated extensive time and resources toward the protection, preservation, and promotion of public resources. The nominee indicated in his personal statement that he sees the launch of the Commission as a positive opportunity to better organize public hunting in the State and that he would consider any outcome that preserves or extends opportunities for the public to enjoy nature as a great accomplishment. Your Committee finds that Mr. Kohatsu will be an asset to the Commission and supports his nomination.

JOSIAH JURY

Your Committee received testimony in support of the nomination for the appointment of Josiah Jury from the Department of Land and Natural Resources and one individual.

Upon review of the testimony, your Committee finds that Mr. Jury qualifies for appointment to the Game Management Advisory Commission as a member from the City and County of Honolulu or at-large member. Mr. Jury is an active licensed hunter and is currently Vice-President of the Pig Hunters Association of Oahu (PHAO), where he is engaged in organizing and facilitating the PHAO's efforts to promote goodwill, companionship, and interest in the sport of hunting. Mr. Jury is employed with the Ko'olau Mountains Watershed Partnership, where he manages the volunteer hunting program and serves as a liaison on hunting issues for ungulate management with other managing entities and landowners within the Ko'olau mountain range. Testifiers noted that Mr. Jury's knowledge and experience with hunting will make him an excellent member of the Commission. The nominee indicated in his personal statement that he understands the importance of working together to protect natural resources while also promoting better opportunities for public hunting and noted that his background in hunting and conservation has allowed him to work collaboratively

with a variety of people from the hunting community, government, and private landowners. Your Committee finds that the Commission will benefit from Mr. Jury's broad experience and supports his nomination.

LORI BUCHANAN

Your Committee received testimony in support of the nomination for the appointment of Lori Buchanan from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Hanalei Watershed Hui, Hawaii Sportsmen's Alliance, Hawaii Hunting Association, Kuuhana Ranching and Services, and eight individuals.

Upon review of the testimony, your Committee finds that Ms. Buchanan qualifies for appointment to the Game Management Advisory Commission as a member from the County of Maui from the Island of Molokai and has knowledge, experience, and expertise in the area of Native Hawaiian cultural practices. Ms. Buchanan is a licensed hunter who has been identified as an advocate for the hunting community on Molokai, many of whom are native Hawaiian homesteaders and hunt for subsistence. Ms. Buchanan is the Coordinator of the Molokai/Maui Invasive Species Committee, and testifiers commented on her long, admirable history of public service at the state and local levels of government. Testifiers noted that as a subsistence hunter and cultural practitioner, the nominee possesses a deep and culturally-grounded understanding of the need to accommodate and appropriately balance the subsistence hunting needs of Native Hawaiians with the protection of the State's natural and cultural resources. The nominee indicated in her personal statement that she is a community advocate who works to address all issues affecting her community, that hunting and gathering is one of the issues she is most passionate about, and by serving on the Commission she hopes to contribute to creating wildlife management plans that balance wildlife preservation for hunting and gathering with protecting the natural environment. Your Committee finds that Ms. Buchanan's knowledge and cultural expertise will be an asset to the Commission and supports her nomination.

JEFFERY DEREGO

Your Committee received testimony in support of the nomination for the appointment of Jeffery DeRego from the Department of Land and Natural Resources, Hawaii Hunting Association, and one individual.

Upon review of the testimony, your Committee finds that Mr. DeRego qualifies for appointment to the Game Management Advisory Commission as a member from the County of Maui from the Island of Maui. Mr. DeRego is an active licensed hunter and has served as the President of the Maui Hunters and Sportsman Club for almost thirty years. Mr. DeRego has also served as a volunteer with the Department of Land and Natural Resources for over twenty years with the hunting program for the Ko'olau Forest Reserve. Testifiers commented that Mr. DeRego has been actively working on game management strategies for years and is qualified in every aspect to serve the Commission well as a representative of Maui. The nominee indicated in his personal statement that he hopes to be a voice for the hunting community and the public regarding their concerns about the future of public land for all types of uses for generations to come. Your Committee finds that the Commission will benefit from Mr. DeRego's extensive knowledge, experience, and commitment to public service and supports his nomination.

STANLEY RUIDAS

Your Committee received testimony in support of the nomination for the appointment of Stanley Ruidas from the Department of Land and Natural Resources and Pūlama Lāna'i.

Upon review of the testimony, your Committee finds that Mr. Ruidas qualifies for appointment to the Game Management Advisory Commission as a member from the County of Maui from the Island of Lanai. Mr. Ruidas is an active licensed hunter who serves on the Lanai Hunter's Focus Group, which assists Pūlama Lāna'i and the Department of Land and Natural Resources in the management of the game management area on the island. Mr. Ruidas has also served on the Lanai Community Plan Advisory Committee and the Lanai Planning Commission. Testifiers commented that Mr. Ruidas is active in community events and issues and is known to voice his positions and ask questions in a thoughtful, realistic, and respectful manner. The nominee indicated in his personal statement that he believes the future of sustainable hunting will depend on realistic policies and funding and that he hopes to make a difference through his work on the Commission. Your Committee finds that Mr. Ruidas' extensive experience in community activities and collaboration will be an asset to the Commission and supports his nomination.

JON SABATI

Your Committee received testimony in support of the nomination for the appointment of Jon Sabati from the Department of Land and Natural Resources, Hawaii Sportsmen's Alliance, Hawaii Hunting Association, and one individual.

Upon review of the testimony, your Committee finds that Mr. Sabati qualifies for appointment to the Game Management Advisory Commission as a member from the County of Hawaii from West Hawaii. Mr. Sabati an active licensed hunter and has served as President of the National Wild Turkey Federation, Hawaii State Chapter, for nearly twenty years. Mr. Sabati established the Hawaii Chapter of Pheasants Forever and currently serves as its President. Previously, Mr. Sabati served on the Hawaii Hunting Advisory Commission and as a volunteer Hunter Education instructor with the Department of Land and Natural Resources. Testifiers commented that Mr. Sabati has dedicated much of his life to the preservation, protection, and promotion of public hunting in Hawaii and is an excellent role model for the youth and other hunters in the State. The nominee indicated in his personal statement that by serving on the Commission, he hopes to bring the hunting community together and build a network with the Department of Land and Natural Resources to establish effective game management through mutual understanding and establishment of common goals. Your Committee finds that the Commission will benefit from Mr. Sabati's experience, proven leadership, and dedication to the hunting community and supports his nomination.

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, 4. Noes, none. Excused, 1 (Kim).

SCRep. 1746 Ways and Means on H.C.R. No. 89

The purpose and intent of this measure is to request that the Department of Labor and Industrial Relations and the Department of Business, Economic Development, and Tourism convene a basic economic security working group.

More specifically, the working group is requested to:

- (1) Address the potential for significant economic disruption in the State and ensure the economic sustainability of individuals and families in light of future automation, innovation, and disruption; and
- (2) 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 each Regular Session.

Your Committee received testimony in support of this measure from the University of Hawaii; Chamber of Commerce Hawaii; UNITE HERE Local 5; International Brotherhood of Electrical Workers Local 1260, AFL-CIO; Hawaii Government Employees Association; and Hawaii State AFL-CIO.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and the Department of Labor and Industrial Relations.

Your Committee finds that although the United States is the wealthiest nation in the world, many families, individuals, and businesses in Hawaii have been struggling to keep pace with the increasing cost of living. Economic inequality has widened the gap between a few top earners and the middle and lower classes, the latter of which consists of people who have seen their overall share of income decline in recent decades. Your Committee therefore believes that it is appropriate to request the formation of a working group that can properly address the issue of basic economic security.

As 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. 89, and recommends its adoption.

Signed by the Chair on behalf of the Committee.
Ayes, 10. Noes, none. Excused, 1 (Inouye).

SCRep. 1747* (Majority) Commerce, Consumer Protection, and Health on Gov. Msg. No. 703

Recommending that the Senate not advise and consent to the nomination of the following:

PUBLIC UTILITIES COMMISSION

G.M. No. 703 THOMAS GORAK, for a term to expire 06-30-2022

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee, Thomas Gorak, in consideration of his nomination for appointment to the Public Utilities Commission.

Your Committee received testimony in support of the nomination for the appointment of Thomas Gorak from the Department of Business, Economic Development, and Tourism; Distributed Energy Resource Council of Hawaii; Hawai'i Energy; Hawaii PV Coalition; International Brotherhood of Electrical Workers, Local Union 1260, AFL-CIO; Ulupono Initiative; Earthjustice; Sierra Club of Hawai'i; nineteen individuals and two form letters signed by a total of thirty-two individuals. Your Committee received testimony in opposition to the nomination for the appointment of Thomas Gorak from three individuals.

Your Committee acknowledges the testimony received in support of Mr. Gorak to be a Commissioner on the Public Utilities Commission. Specifically, your Committee notes that Mr. Gorak has a resume that attests to his knowledge and experience working on energy matters and regulatory issues.

Your Committee further appreciates the importance of the Public Utilities Commission and the unique functions that distinguish the Commission from many other state boards and commissions -- specifically, the Commission's far-reaching impact on almost all businesses and individuals throughout the State through the regulation of public utilities, including the approval of rates, tariffs, charges, and fees; limited membership of three individuals who are exempt from chapters 76 and 89, Hawaii Revised Statutes; six-year term of service; and salaried commissioners who are members of the state Employees' Retirement System.

The Senate must also remain cognizant of its vital role as a check and balance of the Governor's exercise of executive power in relation to the powerful Public Utilities Commission. Accordingly, your Committee must carefully consider not only the qualifications and character of any Governor's nominee, but also the constitutional advise and consent process for gubernatorial appointments, and whether the Executive Branch properly exercised its powers in this process.

Your Committee further finds that it must weigh and balance the Senate's advise and consent role, the role of the public in participating in the screening of gubernatorial appointments, and the role of the Governor in the exercise of executive powers in the nomination and appointment of high-level public officers.

Your Committee additionally finds that the practices of Governors and the Senate from Statehood to the present have consistently complied with the constitutional mandate that gubernatorial appointments comply sequentially with a "nominat[ion] and, by and with the advice and consent of the senate", that is then followed by the appointment of the nominee by the Governor. The few exceptions that have occurred in the past, in which a governor avoided this sequential nomination process by appointing a public officer after a session of the Legislature and during the interim, were vigorously objected to by the Senate. Your Committee notes that the sequence of nomination, Senate confirmation, and gubernatorial appointment was properly followed for Mr. Gorak's predecessor; further, that Commissioner was eligible to remain in office as a legitimate holdover who had been approved and qualified by both the executive and legislative branches of government. The sheer timing and circumstances under which Mr. Gorak was appointed as an interim Commissioner, soon before an important decision before the Public Utilities Commission, cast doubt over Mr. Gorak's ability or willingness to make decisions without improper influence from the Governor.

* Amended pursuant to action taken on April 28, 2017.

Your Committee notes that a gubernatorial nomination to public office made during a session of the Legislature provides the Senate the opportunity to perform the Senate's constitutional advise and consent responsibility. Furthermore, the Senate's practice of holding public hearings on all gubernatorial nominees gives the public an opportunity to participate in the screening of each nominee. The nomination process during the legislative session, including the public performance of the Senate's advise and consent responsibilities and public participation, helps to assure the public that each nominee is qualified and endowed with high integrity and unblemished character.

Your Committee recognizes and appreciates the testimony submitted by Hermina Morita, a former chair of the Public Utilities Commission, and is further aware of Ms. Morita's complaint filed in the Circuit Court of the First Circuit and includes a *quo warranto* claim that names Thomas Gorak as one of the defendants in the case. The case is currently pending with the Intermediate Court of Appeals. The lawsuit raises constitutional questions that may impact the Senate's role in gubernatorial nominations of individuals to boards and commissions. Additionally, your Committee is aware of the opinion issued by the Attorney General of Hawaii on the specific issues raised by the Senate President as to the constitutionality of the Governor's interim appointment of Mr. Gorak, and the Attorney General's response that this interim appointment was proper. However, your Committee strongly disagrees and believes that the Senate must vigorously defend the long-standing practice and process and refuse to allow the Senate's advise and consent responsibilities, public participation in the screening of gubernatorial nominees, and the checks and balances of gubernatorial appointment powers to be negated, diminished, or altered in any way by the acts of a governor making interim appointments. Such interim appointments could potentially circumvent, albeit for a temporary period, the Senate advise and consent process.

Although your Committee believes that interim appointments are necessary to fill vacancies, such interim appointments should not be used to remove a member of the Public Utilities Commission who had previously satisfied all of the constitutional requirements of nomination, Senate advise and consent, and appointment.

The totality of the information received on Mr. Gorak's nomination has made a profound impression and influence on the Chair of your Committee to conclude that the adverse information outweighs the balance of testimony received in favor of the nominee. Thus, based on all the information received, your Committee cannot in good conscience recommend to advise and consent to the nomination of Mr. Gorak, an appointment that, if made, would not expire until June 30, 2022. Accordingly, your Committee does not recommend supporting the nomination for the appointment of Mr. Gorak to the Public Utilities Commission.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, recommends that the Senate not advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4, Ayes with Reservations (Espero). Noes, 3 (Chang, Ihara, Ruderman). Excused, none.

SCRep. 1748 Water and Land on Gov. Msg. No. 717

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 717 NORINE HAYES, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Norine Hayes to possess the requisite qualifications to be nominated to the Natural Area Reserves System Commission.

Your Committee received testimony in support of the nomination for the appointment of Norine Hayes from the Department of Land and Natural Resources, Bishop Museum, Pu'u Kukui Watershed Preserve, and ten individuals.

Norine Hayes received a Bachelor of Science degree in Zoology, Master of Science degree in Zoology with Ecology, Evolution, and Conservation Biology Specialization, and Ph.D. in Zoology with Ecology, Evolution, and Conservation Biology Specialization, from the University of Hawaii at Manoa. Dr. Hayes is a Malacology Researcher and Associate in Science at the Bernice Pauahi Bishop Museum and a Research Collaborator with the Smithsonian Institute at the United States Museum of Natural History. Dr. Hayes has received numerous grants in support of her research, including from the National Science Foundation, United States Departments of Agriculture and Interior, and the United States Army Garrison, Oahu. Dr. Hayes also presents and publishes extensively on topics in her academic field, and is a member of several professional organizations and societies.

Upon review of the testimony, your Committee finds that Dr. Hayes has the education, experience, and commitment to qualify for appointment to the Natural Area Reserves System Commission as a member possessing scientific qualifications as evidenced by an academic degree as specified in section 195-6, Hawaii Revised Statutes. Testifiers commented that Dr. Hayes excels in her field as an evolutionary biologist, researcher and educator, and is committed to preserving biodiversity in Hawaii and in educating the next generation on its importance. Testifiers noted the nominee's outstanding scientific intellect, work ethic and output, dedication, energy, and overall personal character and professionalism. Dr. Hayes indicated in her personal statement that the natural resources and ecosystem functions of Hawaii are critically important to her, and noted her lifelong love and appreciation for the spectacular diversity of Hawaii. Dr. Hayes further noted that she would like to use her professional experience and training and passion for conserving native Hawaiian flora and fauna to inform the best practices, decisions, and actions of the Commission. Your Committee finds that Dr. Hayes' impressive background and dedication will be an asset to the Commission and supports her nomination.

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, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1749 Water and Land on Gov. Msg. Nos. 752 and 753

Recommending that the Senate advise and consent to the nominations of the following:

MOLOKA'I IRRIGATION SYSTEM WATER USERS ADVISORY BOARD

G.M. No. 752 OLIVIO ARIOS, for a term to expire 06-30-2017; and

G.M. No. 753 OLIVIO ARIOS, for a term to expire 06-30-2021

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Olivio Arios to possess the requisite qualifications to be nominated for appointment and reappointment to the Molokai Irrigation System Water Users Advisory Board.

Your Committee received testimony in support of the nomination for the appointment and reappointment of Olivio Arios from the Department of Agriculture and Molokai Farm Bureau.

Mr. Arios holds a Bachelor of Science degree in Agriculture from the University of the Philippines at Los Banos, Laguna, and a Master's degree in Agriculture from California State University at Chico. Mr. Arios has served as the Field Station Operations Leader for DOW AgroSciences/Mycogen Seeds LLC., at the Molokai Research and Development Field Station since May 2016, and prior to that for DOW AgroSciences/Phytogen Seeds LLC., at the Corcoran Research and Development Field Station from February 2014 to April 2016. From June 2005 to June 2013, Mr. Arios was employed as a Research Associate and Associate Research Scientist at Syngenta Hawaii, LLC. Mr. Arios has also operated a small farming business in an agricultural parks lot in Kahuku for almost twenty years, and served as a United Nations volunteer in Tanzania for over three years doing agricultural development works.

Upon review of the testimony, your Committee finds that Mr. Arios' education, professional experience, and proven leadership further qualify him to be nominated for appointment and reappointment to the Molokai Irrigation System Water Users Advisory Board as the designee of the Molokai County Farm Bureau, pursuant to section 167-23, Hawaii Revised Statutes. Testifiers commented that Mr. Arios has over twenty years of experience in Hawaiian agriculture, is a respected member of the Molokai community, and that his experience and knowledge will be invaluable to the Board. The nominee indicated in his personal statement that his skills, knowledge, expertise, and technical training will guide him in his service on the Board, and he would like to ensure through his service that the Molokai Irrigation System is properly maintained and that water is available and affordable to all users. The nominee noted his first-hand experience in using irrigation water from a state-run irrigation system through his own small farming operation. Your Committee notes that Mr. Arios has sufficiently proven his residency by updating his Hawaii voter registration to his address on Molokai. Your Committee further finds that Mr. Arios will be an asset to the Molokai Irrigation System Water Users Advisory Board based on his background and experience and supports his nomination.

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, 4. Noes, none. Excused, 1 (Inouye).

SCRep. 1750 Higher Education on Gov. Msg. Nos. 778, 779, and 780

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII

G.M. No. 778 SIMEON ACOBA, for a term to expire 06-30-2022;

G.M. No. 779 BENJAMIN KUDO, for a term to expire 06-30-2022; and

G.M. No. 780 NORMA SPARKS, for a term to expire 06-30-2022. (Nominee's name amended to NORMA DOCTOR SPARKS by GM832,

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Simeon Acoba, Benjamin Kudo, and Norma Doctor Sparks to possess the requisite qualifications to be nominated to the Board of Regents of the University of Hawaii.

SIMEON ACOBA

Your Committee received testimony in support of the nomination of Simeon Acoba for reappointment from the Filipino-American Advocacy Network; Nursing Advocates and Mentors, Inc.; Filipino Community Center, Inc.; SanHi Government Strategies; and twenty-one individuals.

Your Committee finds that Justice Acoba earned a Bachelor of Arts degree from the University of Hawaii at Manoa and a Juris Doctor from Northwestern University School of Law. Justice Acoba has additional ties to the University of Hawaii, including serving as a special assistant to the President of the University, an adjunct professor at the William S. Richardson School of Law, and is currently a volunteer lecturer at the law school.

Prior to retirement, Justice Acoba served as an Associate Justice on the Hawaii Supreme Court, an Associate Judge on the Hawaii Intermediate Court of Appeals, Third Division, and a Judge of the Circuit Court of the First Circuit. Your Committee further finds that Justice Acoba is an extremely engaged member of the community and has served in multiple civic organizations in leadership roles, including serving as a Co-Chair of the Hawaii State Bar's Judicial Administration Committee, a Director of the Hawaii Justice Foundation, and a Director of the Mediation Center of the Pacific. Justice Acoba is also the founding and current Chair of the Hawaii Access to Justice Commission which was created to provide legal services to, and make the courts accessible to, low income

individuals appearing before the court. Your Committee notes that Justice Acoba received the Lifetime Achievement Award from the University of Hawaii Alumni Association in 2015 for his contribution to the State, the University, and the Filipino community.

Your Committee finds that Justice Acoba has served as a Regent since 2014, and is familiar with the role and responsibilities of Board members. According to testimony, Justice Acoba is a valued member of the Board of Regents and currently serves on the Intercollegiate Athletics Committee, Academic and Student Affairs Committee, and Budget and Finance Committee. Justice Acoba is also the Director of the Board of the University Clinical Education and Research Associates. In his personal statement, Justice Acoba indicated that he hopes to further the four strategic objectives of the University for 2015-2021 and strive to achieve equal education opportunity for everyone in the State by providing multiple entry points for traditional and non-traditional students. Your Committee finds that Justice Acoba's extensive judicial experience, analytical and leadership skills, and deep commitment to public service further qualify him for reappointment to the Board.

BENJAMIN KUDO

Your Committee received testimony in support of the nomination of Benjamin Kudo for reappointment from Ralph S. Inouye Co., Ltd.; SanHi Government Strategies; Filipino-American Advocacy Network; and seven individuals.

Your Committee finds that Mr. Kudo received a Bachelor's degree in Mechanical Engineering from the University of Washington. Mr. Kudo received a Master of Business Administration and Doctorate of Philosophy in Business from the University of Hawaii Shidler College of Business and later received a Juris Doctorate from Georgetown University.

Mr. Kudo is presently counsel at Ashford and Wriston, LLP, where he specializes in land use, planning, zoning, and real estate development law. Previously, Mr. Kudo was the Chief Financial Officer and Manager of the land use, administrative and environmental law group at the law firm of Imanaka, Kudo, and Fujimoto. Your Committee finds that Mr. Kudo has experience working with the private sector and representing legislative and administrative agencies on legal issues related to land use, environment, and natural resources. In addition to practicing law, Mr. Kudo has served as a lecturer at the University of Hawaii William S. Richardson School of Law and an instructor at the University of Hawaii Shidler College of Business.

Your Committee further finds that Mr. Kudo has demonstrated significant dedication to public service, as evidenced by his participation with the Boy Scouts of America Aloha Council, Boys and Girls Club of Hawaii, Temari-Center for Pacific and Asian Art, and Rehabilitation Hospital of the Pacific. Your Committee notes that Mr. Kudo has served as a Regent since 2012, and is familiar with the role and responsibilities of Board members. According to testimony, during the past five years Mr. Kudo has implemented more financial accountability at the University of Hawaii and played a significant role in complex real estate transactions. In his personal statement, Mr. Kudo indicated that he hopes to find substantial ways to address the deferred maintenance problems at the University and monetize the University's land assets. Your Committee finds that Mr. Kudo's professional background, clear commitment to the community, and experience with the University of Hawaii as a student, teacher, and Regent further qualify him for reappointment to the Board.

NORMA DOCTOR SPARKS

Your Committee received testimony in support of the nomination of Norma Doctor Sparks from the Salvation Army Hawaiian and Pacific Islands Division; Nursing Advocates and Mentors, Inc.; Filipino-American Advocacy Network; Filipino Coalition for Solidarity; Filipino American Citizens League; and eight individuals.

Your Committee finds that Ms. Sparks received a Bachelor's degree in Sociology from the University of Hawaii at Manoa, Master's degree in Social Work from the University of Hawaii Myron B. Thompson School of Social Work, and a Juris Doctorate from the University of Hawaii William S. Richardson School of Law. According to testimony by Ms. Sparks, she comes from a family committed to higher education and her husband and son also earned degrees from the University of Hawaii.

Ms. Sparks lives on Kauai and is the Co-founder and President of Families First Hawaii Services Inc., a consulting firm that advocates for children and families. Previously, Ms. Sparks served as a Deputy Attorney General, Administrator of the Family Crisis Services Branch in the Family Court of the First Circuit, Administrator of the State Child Support Enforcement Agency, and Administrator of Child Welfare Services within the Department of Human Services. Ms. Sparks also served as an adjunct professor for the graduate schools of social work, nursing, psychology, and education for over five years at the University of Hawaii. Your Committee finds that Ms. Sparks has extensive administrative experience with public agencies, and has managed large amounts of personnel, large departmental budgets, and implemented substantial systemic changes that improved services to the public.

Your Committee notes that Ms. Sparks is an active community member and has served on many community boards including Kauai Planning and Action Alliance, Kauai Filipino Chamber of Commerce, and Kauai Filipino Women's Club. In her personal statement, Ms. Sparks indicated that she hopes to increase the number of online degree-related offerings by the University of Hawaii to meet the needs of students, employers, and communities. Your Committee finds that Ms. Sparks' experiences as a student and teacher at the University of Hawaii, in addition to her professional background and dedication to public service, will be strong assets to the Board of Regents of the University of Hawaii.

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, 5. Noes, none. Excused, none.