

TWENTY-EIGHTH DAY

Monday, March 12, 2018

The Senate of the Twenty-Ninth Legislature of the State of Hawai'i, Regular Session of 2018, convened at 11:33 a.m. with the President in the Chair.

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

The President announced that he had read and approved the Journal of the Twenty-Seventh Day.

At this time, Senator Baker noted that it was the American Physical Therapy Association's Legislative Day Event at the State Capitol – which brings together physical therapy professionals from across the state to participate in a full agenda of activities, to bring awareness and demonstrate their role in the healthcare system and to address current legislative issues of great importance to the profession – and introduced Gregg Pacillio, Hawai'i chapter president; Joanne Zazzera, legislative chair; Dr. Justin Ledbetter, legislative day event chair; and Joy Gold, representative from the Hawai'i chapter of the American Physical Therapy Association, all of whom were present in the gallery.

Senator Galuteria welcomed a group of students and their teacher from Kupu, a Honolulu-based organization that empowers future generations to create a more sustainable, pono Hawai'i through hands-on training programs, internships, and service learning opportunities that educate and mentor youth to become stewards of our culture and environment and to develop a strong connection to the place in which we live. The students were accompanied by teacher Manning Tate in the gallery: Pualani Diana Matautia, Kyle Tagawa, Danon Throman, Dane Throman, Marlene Sylvester, and Justin Holmberg.

Senator Wakai recognized and congratulated the United States Small Business Administration's State of Hawai'i Small Business Award recipients, and presented the following remarks:

"Ladies and gentlemen, colleagues: This morning, we celebrate the economy. The state is basking in the lowest unemployment in the nation, partially due to the good work by the folks here on the floor with us today. We are going to be honoring three different groups of businesses and their award-winning members and entrepreneurs here in the state. We're going to start with the winners of the 2018 Small Business Administration's Small Business Awards; we have four of them here with us this morning. SBA is a federal agency whose mission is to aid, counsel, and protect small business concerns and preserve free competitive enterprise. 'Small business' doesn't necessarily mean 'small impact' – they provide a big boost to our economy, and give lawmakers the resources to provide much-needed government services.

"Our first honoree is Terri Funakoshi, director of the Patsy T. Mink Center for Business & Leadership. Terri has been honored as a 2018 SBA Small Business Advocate for Women in Business. This award is given to individuals who advocate for women and raise awareness of their significant contributions to our economy. Terri has an extensive history of helping female entrepreneurs succeed. She has always stood up, supports women, and leads by example. Terri regularly trains and mentors business owners in marketing, finance, and management. As director, she established a variety of innovative projects and programs, such as InnovateHER, Girls' Summit, and the Mink Leadership Alliance, all aimed to help level the playing field for women entrepreneurs. Ladies and gentlemen, Terri Funakoshi."

Senator Gabbard presented the following remarks:

"I'd like to introduce and recognize Linda Fernandez, president and chair of Fernandez Entertainment. Fernandez Entertainment has been honored with the SBA Family-Owned Small Business of the Year, which is awarded to family businesses with more than 15 years of history. Having been in business for more than a century, Fernandez Entertainment has been rightfully honored with this award. Established in 1903 by EK Fernandez, the business has since grown to receive international acclaim within the carnival, fair, and circus industries. However, the business has remained true to its roots as it remains locally owned and within the family. After marrying Kane Fernandez, Linda joined the family business and made it her lifetime passion. Under her leadership, the business continues to grow, increasing revenues and creating local jobs and, most importantly, delighting and bringing joy to generations of Hawai'i families. Congratulations, Linda Fernandez and Fernandez Entertainment."

Senator Kahele presented the following remarks:

"Colleagues, I have the pleasure this morning of introducing the president and CEO of the Council for Native Hawaiian Advancement, Michelle Kauhane. Colleagues, Michelle has been awarded this year as the 2018 SBA Small Business Advocate for Minorities. This award is given to those who assist and advocate on behalf of minority-owned businesses. In Michelle's capacity as president, she has been instrumental in growing, developing, and transforming Native Hawaiian communities. She has grown the community loan fund and secured additional funding from federal departments and programs. And beyond those financial affairs, she regularly dedicates time to testify in support of Native Hawaiian issues, and serves on various councils and committees, such as the National Council of Asian Pacific Americans and local homestead councils. In all that she does, Michelle continues to look forward for ways to better the islands. Congratulations, Michelle."

Senator Keith-Agaran presented the following remarks:

"On behalf of your Valley Isle delegation, it's my pleasure to introduce Teena M. Rasmussen, director of the Maui County Office of Economic Development. Teena is being honored today as the 2018 SBA Small Business Advocate for Business and Industry. This award is given to individuals who advocate and support small businesses, and understand this critical role these businesses play in the economy. Teena's support for small businesses knows no bounds. Her passion, no doubt, comes from the fact that she herself is a small-business owner. Her hard work and dedication have paid off as her own business, Paradise Flower Farms, has become the largest grower, wholesaler, and Internet provider of Hawai'i's flowers. In her capacity as director, she has founded several key small business events, such as the Made in Maui Festival. She's led trade missions, supported the Shop Small Business Saturday, established small-business loans and grants, and much more. Teena is truly a champion of small business. Congratulations, Teena."

"Mr. President, she's the final SBA awardee this morning, and we're now going to shift gears. We're acknowledging a budding musician and songwriter who just graduated from an innovative state program."

Senator Thielen congratulated and recognized Olivia Cargile, and presented the following remarks:

"It's wonderful to see our SBA nominees this year are all women. I'd like to introduce another budding female

entrepreneur: Olivia Cargile. Liiv is also entering the field of business, but she's doing so as a 17-year-old singer, songwriter, producer, and multi-instrumentalist from Kailua. She's a very accomplished young woman: She's performed locally, nationally, and released nine original songs. She's established her own business and was nominated for a Hōkū Hanohano Award. Liiv, in the summer of 2017, was chosen to participate in DBEDT's Creative Lab Music Immersive program, an accelerator that gives artists the opportunity to work with world-class mentors in the music industry and provides access to new markets. Liiv was honored to be selected for the Creative Lab music immersion program, and she described it as 'life-changing.' During this weeklong program, Liiv produced the song 'Bring You Back,' which was selected for a Fox television primetime medical drama series called *The Resident*, which premiered January 21 this year. This prestigious song placement helps Liiv establish her reputation as a professional singer/songwriter on a national stage. Liiv is applying to business music schools so that she can take control of her career rather than being at the mercy of others, and flourish as an entertainer.

"So, the Hawai'i State Senate takes pride in congratulating Liiv on the placement of her song in a nationally syndicated TV series, and I want to recognize Olivia's parents, Chris and Gina Cargile, who've joined us today in honor of their daughter. Thank you, Mr. President."

Senator Wakai congratulated and commended the Hawaii Venture Capital Association's award recipients, and presented the following remarks:

"Our last set of honorees are real innovators, and there are actually a few guys in this group. I present to you the winners of the 2018 Hawaii Venture Capital Association Entrepreneur and Deal of the Year awards; we have six of them here with us today. The Hawaii Venture Capital Association stands as a nexus for entrepreneurs, capital formation, and networking opportunities. The association strives to foster entrepreneurship through education and exposure to members of the business community. HVCA's Entrepreneur and Deal of the Year awards are held annually to honor achievements in the local venture community. For the first introduction, I would like to yield the floor to Senator Galuteria."

Senator Galuteria presented the following remarks:

"Colleagues, I'd like to introduce two individuals from the Manaola Group LLC, who were selected as the Entrepreneurs of the Year. The first is Carrington Edward Manaola Yap, the creator and cofounder and designer of Manaola Group; and also Zachary Pang, cofounder and CEO of Manaola Group LLC – thank you so much. Manaola, as most of us have come to know, is a Hawaiian fashion label that appeals to the changing times, respectfully and thoughtfully embodying and invoking the spirit of Hawaiian culture and the values of our islands. The group was originally founded in 2016 but has grown rapidly from a small startup to become a globally recognized and high-demand brand. Just last year, Manaola debuted at the New York Fashion Week and has also been showcased at runways from Hawai'i to San Francisco. Despite the success, the company and its founders have stayed true to their Native Hawaiian heritage and have not forgotten what their ancestors have taught them. The company employs a traditional stamping method known as 'ohe kāpala to create their designs – this is bamboo stamping – and it's digitized them into modern silhouettes. These designs relate to Native Hawaiian ideologies, often referring to significant stories, places, or animals significant to the islands. In addition, the company remains locally based and takes care to create culturally conscious designs. Manaola Group can only become bigger and better."

"I might add that Manaola is a member of the famed musical Lim Family. As a matter of fact, his father, Ed Yap, is up there, who plays bass, and he's wearing a Manaola design, obviously. Also, in addition to dad, Manaola's mom is a kumu hula – Nani Lim Yap – and his aunt is also a kumu hula – Leialoha Lim Amina, who was my classmate at Kamehameha Schools. Aloha to you all and thank you so much. Congratulations to Manaola and Zachary – thank you so much."

Senator Green presented the following remarks:

"Luke Joseph, I'd like to introduce you: founder and CEO of iFirst Medical Technologies, inventor of the iFirst analyzer and microfluid exchange cartridge – a round of applause for Luke. Luke has been named Tech Entrepreneur of the Year, which is given to those whose work has created new technology and innovations to make our lives more efficient, fun, or just plain better. Luke aims to revolutionize health care and he very well may with this technology through iFirst Medical Technologies. Rather than having a patient wait in a lab for their tests, he brings the lab to the patients, to our families, tests on site with a simple finger prick – you don't have to draw blood for this – safely transmits information to clinicians and produces results immediately, all within the comfort of a patient's home. This is especially beneficial for patients who oftentimes wait for days to get tested and receive results or who might be too sick to go to a hospital or facility. Luke's innovative vision and entrepreneurial spirit have helped his business grow, and, in the long run, iFirst will ease medical burdens on patients and make health care more accessible. And I would just add, congratulations, Luke – I could see this helping people globally; this really will be a great technology. Congratulations on your award."

Senator Nishihara presented the following remarks:

"I'd like to introduce Aaron Ackerman, sustainability team leader at the architectural/engineering firm Bowers + Kubota. Aaron was honored as the Island Innovator of the Year, which is given to those whose efforts have helped our island state. This award celebrates an innovator who has demonstrated leadership and commitment to tackling a significant problem in the islands. Aaron has a multidisciplinary background that allows him to meaningfully address economic, environmental, and social issues. He has experience as an owner, fundraiser, borrower, designer, builder, advocate, educator, among other roles. This allows him to seek balance in his projects, as he recognizes the importance of creative and sustainable goals but also tries to accommodate project budgets. Aaron applied these skills when trying to attack local problems. Aaron tackled the problems of waste management, which is certainly a problem in the islands. For the past seven years, he has been building a house that meets 20 strict ecofriendly criteria required for certification by the International Living Future Institute. Seventy-five percent of the house is made with reclaimed construction waste; the house is proof that Hawai'i's waste issue can be solved. Congratulations, Aaron."

Senator Taniguchi presented the following remarks:

"I have the honor of recognizing Tom Knapp-Ramos, founder of Swipewrap. Tom was named Student Entrepreneur of the Year. This award is given to younger members of the innovative community who have a passion for learning new things, the tenacious spirit of an entrepreneur, and a potential for growth. Tom fits all of these qualities and more. He has always been interested in how things work, including hardware gadgets, computer software, human psychology, and product success. The intersection of these interests is what led Tom to pursue Swipewrap, a software that has digitalized gift-wrapping all while keeping the personal touch. Despite being an online service, users can still unwrap digital gifts with their fingers on their smartphones, thus preserving the fun gift-giving"

experience. It will not be long until Swipewrap becomes a household name. Congratulations, Tom.”

Senator Kim presented the following remarks:

“Mr. President, I have the honor of introducing our final honoree. Among all of the entrepreneurs, we have another woman, and she is Mylen Yamamoto and Cropsticks by Cropmade. Mylen was born and raised here and is a graduate of Moanalua High School. Unfortunately, she’s not able to join us, but we do have Chul Lee, who is representing her. Mylen – founder, creator, and CEO of Cropsticks by Cropmade – was named People’s Choice Startup of the Year. This award is given to the startup that the innovation community believes best represents the interests of Startup Paradise and also serves as an example for others to follow in their successes, popularity, and the unwavering support of their fellow community leaders. Cropsticks by Cropmade is an innovative chopstick with a built-in rest from a sustainable bamboo and is part of a larger line of sustainable goods for Asian cuisine. By using sustainable materials, the business hopes to leave a positive impact on the planet. Cropsticks began when Mylen’s chopstick kept rolling off her tray table on a flight to Asia. She believed there was a better way to use chopsticks, and the idea was born.

“Besides Mylen, Cropsticks has four other team members: Ron Tansingco, Jay Chang, JGarrett Karr, and, of course, Chul Lee. Each one of them brings a wealth of knowledge and experience to the business, which has allowed Cropsticks to grow and partner with over 50 restaurants, retailers, and hotels, including Roy’s restaurants, Hakkasan Group, Disney, and Walgreens, and it won’t be long before Cropsticks becomes nationally and internationally recognized. Congratulations to Cropsticks by Cropmade.”

Senator Wakai rose and stated:

“Mr. President and colleagues, thank you for allowing us to acknowledge the multitude of talented individuals who are driving our economy and giving Senator Dela Cruz all that he could possibly ask for to operate the State of Hawai‘i. In the gallery, we have District Director of the Small Business Administration Jane Sawyer; also, the division chief for Creative Industries, Georja Skinner, is with us; and for the last group, the former president of the Hawaii Venture Capital Association, Bill Spencer, plus a few of the other HVCA awardees. Thank you to all of you for nurturing our economy.”

Senator Wakai then recognized Luis Salaveria, director of the Department of Business, Economic Development, and Tourism, who was seated in the gallery.

At 11:57 a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:13 p.m.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 636 and 637) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 636, submitting for consideration and confirmation to the State Council on Developmental Disabilities, the nomination of NATALIE KAMA, term to expire June 30, 2022, was referred to the Committee on Commerce, Consumer Protection, and Health.

Gov. Msg. No. 637, submitting for consideration and confirmation to the Board of Veterinary Examiners, the nomination of ALICIA MALUAFITI, term to expire June 30, 2022, was referred to the Committee on Commerce, Consumer Protection, and Health.

JUDICIARY COMMUNICATION

The following communication from the Judiciary (Jud. Com. No. 3) was read by the Clerk and was disposed of as follows:

Jud. Com. No. 3, submitting for consideration and confirmation to the District Court of the First Circuit, Judicial Appointee, KEVIN T. MORIKONE, for a term to expire in six years, was referred to the Committee on Judiciary.

ORDER OF THE DAY

REFERRAL OF SENATE CONCURRENT RESOLUTIONS

The President made the following committee assignments of Senate concurrent resolutions offered on Thursday, March 1, 2018; Friday, March 2, 2018; and Tuesday, March 6, 2018:

- S.C.R. No.: Referred to:
- S.C.R. No. 46 Committee on Judiciary, then to the Committee on Ways and Means
- S.C.R. No. 47 Jointly to the Committee on Government Operations and the Committee on Commerce, Consumer Protection, and Health, then to the Committee on Ways and Means
- S.C.R. No. 48 Jointly to the Committee on Hawaiian Affairs and the Committee on Housing, then to the Committee on Ways and Means
- S.C.R. No. 49 Committee on Water and Land, then to the Committee on Ways and Means
- S.C.R. No. 50 Committee on Water and Land, then to the Committee on Ways and Means
- S.C.R. No. 51 Committee on Public Safety, Intergovernmental, and Military Affairs
- S.C.R. No. 52 Committee on Public Safety, Intergovernmental, and Military Affairs, then to the Committee on Ways and Means
- S.C.R. No. 53 Jointly to the Committee on Commerce, Consumer Protection, and Health and the Committee on Higher Education
- S.C.R. No. 54 Jointly to the Committee on Labor and the Committee on Commerce, Consumer Protection, and Health, then to the Committee on Ways and Means
- S.C.R. No. 55 Jointly to the Committee on Government Operations and the Committee on Judiciary, then to the Committee on Ways and Means
- S.C.R. No. 56 Committee on Public Safety, Intergovernmental, and Military Affairs, then to the Committee on Commerce, Consumer Protection, and Health
- S.C.R. No. 57 Committee on Agriculture and Environment
- S.C.R. No. 58 Jointly to the Committee on Higher Education and the Committee on Water and Land
- S.C.R. No. 59 Committee on Agriculture and Environment, then to the Committee on Ways and Means
- S.C.R. No. 60 Jointly to the Committee on Government Operations and the Committee on Water and Land and the Committee on Housing, then to the Committee on Ways and Means
- S.C.R. No. 61 Committee on Commerce, Consumer Protection, and Health

S.C.R. No. 62 Committee on Government Operations, then to the Committee on Ways and Means

REFERRAL OF SENATE RESOLUTIONS

The President made the following committee assignments of Senate resolutions offered on Friday, March 2, 2018; and Tuesday, March 6, 2018:

- S.R. No.: Referred to:
- S.R. No. 22 Committee on Water and Land, then to the Committee on Ways and Means
- S.R. No. 23 Committee on Public Safety, Intergovernmental, and Military Affairs, then to the Committee on Ways and Means
- S.R. No. 24 Jointly to the Committee on Commerce, Consumer Protection, and Health and the Committee on Higher Education
- S.R. No. 25 Jointly to the Committee on Labor and the Committee on Commerce, Consumer Protection, and Health, then to the Committee on Ways and Means
- S.R. No. 26 Jointly to the Committee on Government Operations and the Committee on Judiciary, then to the Committee on Ways and Means
- S.R. No. 27 Committee on Public Safety, Intergovernmental, and Military Affairs, then to the Committee on Commerce, Consumer Protection, and Health
- S.R. No. 28 Committee on Agriculture and Environment
- S.R. No. 29 Jointly to the Committee on Higher Education and the Committee on Water and Land
- S.R. No. 30 Committee on Agriculture and Environment, then to the Committee on Ways and Means
- S.R. No. 31 Jointly to the Committee on Government Operations and the Committee on Water and Land and the Committee on Housing, then to the Committee on Ways and Means
- S.R. No. 32 Committee on Commerce, Consumer Protection, and Health

RE-REFERRAL OF HOUSE BILLS

The Chair re-referred the following House bills that were received:

- H.B. No.: Re-referred to:
- H.B. No. 2009, Committee on Housing, then to the
H.D. 1 Committee on Ways and Means
- H.B. No. 2139, Committee on Education, then to the
H.D. 1 Committee on Judiciary
- H.B. No. 2746, Committee on Housing, then to the
H.D. 2 Committee on Ways and Means

ADJOURNMENT

At 12:14 p.m., on motion by Senator Espero, seconded by Senator English and carried, the Senate adjourned until 11:30 a.m., Tuesday, March 13, 2018.