

FIFTY-NINTH DAY

Tuesday, May 1, 2001

The Senate of the Twenty-First Legislature of the State of Hawaii, Regular Session of 2001, convened at 10:18 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by The Reverend Dr. Tom Fujita, Nuuanu Congregational Church, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Fifty-Eighth Day.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 322 to 325) were read by the Clerk and were placed on file:

Gov. Msg. No. 322, informing the Senate that on April 27, 2001, he signed the following bills into law:

House Bill No. 588 as Act 66, entitled: "RELATING TO RENEWAL REQUIREMENTS OF THE BOARD OF MEDICAL EXAMINERS";

House Bill No. 630 as Act 67, entitled: "RELATING TO INFORMATION ON THE NATURAL PARENTS OF THE ADOPTED MINOR CHILD";

House Bill No. 1552 as Act 68, entitled: "RELATING TO TIME SHARING";

House Bill No. 1587 as Act 69, entitled: "RELATING TO ACQUISITION OF HOSPITALS";

Senate Bill No. 174 as Act 70, entitled: "RELATING TO TIME SHARING PLANS";

Senate Bill No. 176 as Act 71, entitled: "RELATING TO TIME SHARING PLANS";

Senate Bill No. 982 as Act 72, entitled: "MAKING AN EMERGENCY APPROPRIATION FOR THE STATE IRRIGATION PROGRAM";

Senate Bill No. 1104 as Act 73, entitled: "RELATING TO AUTHORITY OF FOSTER PARENTS TO PROVIDE CONSENTS FOR THE FOSTER CHILD'S EDUCATIONAL AND RECREATIONAL NEEDS";

Senate Bill No. 1106 as Act 74, entitled: "MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES";

Senate Bill No. 1114 as Act 75, entitled: "MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HUMAN SERVICES";

Senate Bill No. 1127 as Act 76, entitled: "MAKING AN EMERGENCY APPROPRIATION TO THE CHILD AND ADOLESCENT MENTAL HEALTH DIVISION"; and

Senate Bill No. 1203 as Act 77, entitled: "RELATING TO INCREASING DEVELOPMENT FLEXIBILITY OF PUBLIC LANDS."

Gov. Msg. No. 323, informing the Senate that on April 30, 2001, he signed into law House Bill No. 925 as Act 78, entitled: "RELATING TO LOANS."

Gov. Msg. No. 324, dated April 30, 2001, transmitting his statement of objections to House Bill No. 143 which he has returned to the House without his approval and which reads as follows:

"EXECUTIVE CHAMBERS
HONOLULU

April 30, 2001

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 143

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 143, entitled 'A Bill for an Act Relating to the Legislature.'

The purpose of this bill is to increase the travel per diem allowance for legislators by requiring the allowance amount to be based on the federal General Services Administration rates for federal government travel. The federal government travel per diem rate varies by location.

The travel per diem allowances are intended to reimburse public officers and employees who travel on official government business for lodging, meal, and incidental expenses. When the cost of lodging at a travel destination is higher than the amount allocated in the travel per diem allowance, a state public officer or employee may submit a claim for an excess lodging allowance. Consequently, the per diem allowance for lodging, meal, and incidental expenses incurred by state officers and employees for state government travel appears to be adequate as currently established and there does not appear to be a need to revise the travel per diem allowance amount.

Even if there were a need to revise the travel per diem allowance amount, the revision should be made fairly for all public officers and employees. The increase of the travel per diem allowance only for one group of state officers does not appear to be justified.

For the foregoing reasons, I am returning House Bill No. 143 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

Gov. Msg. No. 325, dated April 30, 2001, transmitting his statement of objections to Senate Bill No. 1377 which he has returned to the Senate without his approval and which reads as follows:

"EXECUTIVE CHAMBERS
HONOLULU

April 30, 2001

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1377

Honorable Members
Twenty-First Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 1377, entitled 'A Bill for an Act Relating to Civil Service.'

The purpose of this bill is to convert temporary employees of the support services office, program development staff, and the nursing home without walls program within the Social Services Division of the Department of Human Services to civil service status.

This bill is objectionable because the incumbents will be grandfathered into the civil service system at their current compensation levels, which may or may not be appropriate for their place in the classification system. In addition, the bill does not identify the individual positions that are affected.

It is acknowledged that the incumbent employees have provided important service over the past years, many of them for ten years and more, and that they are deserving of some recognition of their service. Fortunately, Act 253, last year's civil service reform act, provides a mechanism for identification as well as conversion of positions to civil service in a systematic way. This mechanism takes into account merit principles, including meeting minimum qualification requirements, and a method for setting the compensation of the incumbents that is fair and equitable and in accordance with the applicable collective bargaining agreement.

For the foregoing reasons, I am returning Senate Bill No. 1377 without my approval.

Respectfully,

/s/ Benjamin J. Cayetano
BENJAMIN J. CAYETANO
Governor of Hawaii"

HOUSE COMMUNICATION

Hse. Com. No. 673, informing the Senate that the Speaker on April 27, 2001, appointed Representatives Garcia, chair, Espero, Moses as managers on the part of the House for the consideration of amendments proposed by the House to S.C.R. No. 156, S.D. 1 (H.D. 1), was read by the Clerk and was placed on file.

**CONFERENCE COMMITTEE REPORTS
AND
FINAL ADOPTION**

Senator Matsuura, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.C.R. No. 129, H.D. 1, presented a report (Conf. Com. Rep. No. 174) recommending that H.C.R. No. 129, H.D. 1, S.D. 1, as amended in C.D. 1, be Finally Adopted.

On motion by Senator English, seconded by Senator Hemmings and carried, Conf. Com. Rep. No. 174 was adopted and H.C.R. No. 129, H.D. 1, S.D. 1, C.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE INSURANCE COMMISSIONER TO CONVENE A MANDATED BENEFIT ADVISORY TASKFORCE AND

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY ON THE FEASIBILITY OF A STATE PHARMACEUTICAL ASSISTANCE PROGRAM," was Finally Adopted.

Senator Kim, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.C.R. No. 156, S.D. 1, presented a report (Conf. Com. Rep. No. 175) recommending that S.C.R. No. 156, S.D. 1, H.D. 1, as amended in C.D. 1, be Finally Adopted.

On motion by Senator English, seconded by Senator Hemmings and carried, Conf. Com. Rep. No. 175 was adopted and S.C.R. No. 156, S.D. 1, H.D. 1, C.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A REVIEW OF THE VIABILITY OF RELOCATING THE OAHU COMMUNITY CORRECTIONAL CENTER," was Finally Adopted.

Senator Matsuura, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.C.R. No. 23, S.D. 2, presented a report (Conf. Com. Rep. No. 176) recommending that S.C.R. No. 23, S.D. 2, H.D. 1, as amended in C.D. 1, be Finally Adopted.

On motion by Senator English, seconded by Senator Hemmings and carried, Conf. Com. Rep. No. 176 was adopted and S.C.R. No. 23, S.D. 2, H.D. 1, C.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEVELOPMENT AND IMPLEMENTATION OF A LONG-TERM CARE FINANCING PLAN AND A STATEWIDE LONG-TERM CARE PROVIDER CERTIFICATION PROGRAM," was Finally Adopted.

ORDER OF THE DAY**FINAL READING**

Conf. Com. Rep. No. 151 (H.B. No. 200, H.D. 1, S.D. 1, C.D. 1):

Senator Taniguchi moved that Conf. Com. Rep. No. 151 be adopted and H.B. No. 200, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Taniguchi rose to speak in support of the measure and said:

"Mr. President, I rise to speak at length in favor of this measure.

"Mr. President, before I begin, I would again like to thank all those involved who helped make my first year as your Ways and Means Chair a productive and I believe a successful one.

"First, I would like to thank my counterpart in the House, the Chair of the Committee on Finance, for the graciousness and generosity that he extended to me from day one. I believe one of the key ingredients to our overall success this year was the Finance Chair's willingness to work in a truly collaborative manner. While we did have some contentious moments in our deliberations, the Finance Chair managed to keep his cool and bring all parties back to the table to resolve matters in a positive manner. Because of his efforts, not only did we get out a good work product, but we also got our work done early. Not only did both Finance and Ways and Means staff appreciate this, but it also helped our subject matter Chairs resolve matters on all their appropriation bills early and avoid the last minute scramble we've become so accustomed to. Once again, I would

like to send a big thank you to my counterpart in the House, Representative Takamine.

"Next, I would like to thank you, Mr. President, and the rest of the members of the Senate for all of your support and encouragement this Session. I want to especially thank the members of the Ways and Means Committee for all their hard work and diligence. I'm grateful for the trust all of you have put in me to mold this bill, as well as other measures that comprise our financial plan.

"Third, I want to again thank my Vice-Chair, the Senator from Waianae, first for taking credit for all the bad things I've done this year, but more importantly, for her hard work in shepherding numerous conference measures.

"And last but not least, I want to thank my family for enduring one of the most time-consuming and grueling Sessions of my career. I want to especially thank my wife Jan for her patience, understanding, and guidance.

"Mr. President, the budget bill you have before you is a culmination of over four months of work by both the House and Senate Chambers. We began the year with good news that revenue projections were strong. However, that good news was quickly dampened by the sobering realization that even those revenue levels could be short of all our projected needs.

"We learned that several major cost categories – including fixed costs such as debt service, health fund payments, and ERS contributions – were driving expenditures higher. Pay increases for our public employees, most notably for our public school teachers, loomed large over our heads the entire Session. Quite frankly, these costs drove much of our debate when it came to shaping our financial package and, as we all know, the lengthy HSTA and UHPA negotiations and strike crisscrossed our legislative timetable and forced us to formulate a financial plan that found the money for teachers' pay raises.

"At the time, we had to make cuts to many of the Governor's requests, including some mandated costs that caused much concern in the executive chambers. While I would prefer not to take such action again in the future, I believe my colleagues will readily admit that we did the right thing; we did the responsible thing and we were not trying to undermine the Governor.

"In the end, the HSTA and UHPA contracts came in under our projections and in time for the Conference Committee to adjust some of its previous reductions. We were therefore able to restore funding for Felix costs for the Department of Education, bringing them up to a full funding level of \$43 million a year; Felix costs for the Child and Adolescent Mental Health Division of the Department of Health; contributions to the public employees' health fund; substance abuse programs in the Departments of Health and Public Safety; and state hospital and developmentally disabled allocations for the Department of Health.

"As for the Felix consent decree, I have this to say to our members – this is only the beginning. While I know most of us have kept a keen eye on this for the past seven years, this year will prove to be a major crossroads for the Legislature and the State as a whole. I think everyone in this room knows of our situation. The federal court is promising to take action by June 30 of this year if it is not satisfied with the Legislature's efforts to provide adequate funding to the Departments of Education and Health.

"However, as I've stated before, this body should not be pressured into making decisions by the court, nor should it

make hasty ones based on a lack of information or a lack of cooperation by any state agency. This body, I believe, is responsible not only to see that the State complies with the decree, but also that taxpayer money is being spent in the most prudent and efficient manner.

"Make no mistake, this budget reflects reductions to the Felix allocations as requested by the Department of Health, but for the record, Mr. President, these reductions are not arbitrary; they are not punitive; they are responsible and I stand behind each one of them. To the best of our ability, both House and Senate fiscal committees tried to work with the department to justify its request. However, after months of frustration, we both determined that the Department of Health cannot justify its request for additional taxpayer money to comply with the Felix consent decree.

"I strongly believe that the Department of Health has much work to do. In my humble opinion, the department must urgently get its house in order and improve on managing its affairs. While it may believe that it has the court on its side, the department must realize that no level of funding will bring the state into compliance with the type of performance that it is currently demonstrating.

"Fellow members, I encourage all of you to stand behind the strong position that your Conferees have taken in regards to funding for Felix compliance. Our state agencies must realize that the Legislature has a legitimate role in scrutinizing costs and will do so ardently and without fear. If we fail to do this, I predict that this may be the first of many programs to escape our control and we will relinquish our constitutional role. Let's not let that happen.

"Mr. President, my message on this budget is not all doom and gloom. In fact, I'm quite proud to point out that despite the tight fiscal parameters that we are forced to work within, your Conference Committee was able to provide funding to improve on the provision of essential services. While I would like to list them all (I only have a few more minutes), I'll confine my comments to one very important area – our schools.

"Like I stated before, Mr. President, our budget priorities this year embraced the public demand to fix our schools. Within this budget, and coupled with many other important measures, I believe that this Legislature will be able to confidently say that we have provided much needed resources to our public schools from top to bottom. Not only did we support pay increases to attract and retain teachers, but also within this budget we have provided for the repair and maintenance of schools and libraries statewide. We have implemented the Hawaii content and performance standards, and we addressed the shortages of school administrators and clerical support. More importantly, this budget refrains from legislative meddling and instead provides funding over and above the Governor's request only in areas considered Board of Education priorities.

"Mr. President, I want to wrap up my comments by once again thanking you and everyone else involved in the making of my first year as your Ways and Means Chair a big success. I've enjoyed my work immensely. I ask my colleagues for one more show of support and to vote in favor of this budget.

"Thank you."

Senator Hemmings rose to speak in favor of the measure with reservations as follows:

"Mr. President, I rise to speak in favor of the budget with reservations.

"It's a difficult position for me to be in – speaking to the budget with reservations – for two very divergent reasons. Reason number one is, in my tenure in the House of Representatives in the '80s, I had the distinction of voting 'no' against the budgets. My prediction was that they would cause economic malaise and problems down the road with the tremendous explosion in the size and the cost of government. Time and circumstances may have proved that to be the problem.

"The other reason why I have a difficult time speaking in favor of this budget with reservations is because of the leadership you and the Chairman of the Senate Ways and Means Committee have provided. You really opened the door to more bipartisan participation in the process, and for that I applaud you. So, in speaking with reservations in favor of this budget, I don't speak against the process by which we arrived at it. In fact, I have a tremendous amount of affection and want to heap on the Majority Party leadership, especially the good Senator from Manoa, my praise for the means by which we arrived at this budget.

"But nevertheless, this is a continuation of a failed formula of government. It's incredible, with the revenue projected to possibly slow down because of the economic problems of the country and of the Pacific basin, that we're going to be spending up to 12 percent more money over the next two years—\$800 million. It is something that we cannot count on – that is the tax receipts coming in to pay the bills.

"I could give long dissertations on various areas where we could make systemic reform to the way we hire, employ, and pay our people, but we definitely need civil service reform so that we can afford to have less employees with better benefits. I think even rank and file is starting to get that message – that the total number of employees is going to break the bank and we need to maybe readdress that problem. Nevertheless, this budget hires more people. We don't have the ability to transfer people from one department to the other to have the flexibility as the private sector does to better use our people power.

"Monopolies . . . there is a huge article in the latest Honolulu Magazine. It talks about a monopoly – the monopoly of not public education, but the monopoly of government education. And proof is in the performance. It is extremely expensive. On a per capita or per student basis it's as expensive as most any other state in the nation to educate our children, but it's not working – it's failing. We are a state at risk.

"Our centralized command and control where everything from state hospitals to even poor teachers picking up the phone and asking to get some paper and pencils in their classroom takes six months because of the failure of the bureaucracy to move in a fast and expeditious manner. This budget doesn't do anything to change that.

"The Felix consent decree is a concern. Can you imagine we have a public education system that probably in total is costing over \$1.5 billion a year to run and we might have the federal judge take it over? This really doesn't change the structure of education, it just simply says that we'll pay the bills and hope that the problem will get better.

"Mr. President and colleagues, I could go on and on. I'm hoping that next year we'll come back and we'll start doing the real work that needs to be done – and that is to cut the budget and return decision-making and power in the form of economic decisions to the people in the marketplace. The consumer must be the chief regulator of a free economy by resisting monopolies, both public and private. The government

monopoly of the economy in Hawaii has proved to be disastrous.

"In closing, I'd like to offer this – what we're doing with the state budget is akin to doing plastic surgery on a patient that needs an open heart transplant. Thank you, Mr. President."

Senator Hogue rose to speak in favor of the measure with reservations and said:

"Mr. President, I rise to speak in favor of this budget bill with reservations.

"First, I want to say that I appreciate the effort of this body during the recent teacher's strike. The Senate took a firm stand to support the teachers, and for that I applaud them for their efforts. It was harshly criticized by the Governor, but I think that the Ways and Means Chair and others really did absolutely the right thing.

"I also recognize that this budget confronts the problems that we have with the Felix consent decree and certainly we are strapped and we really must question what is going on with a federal judge.

"But those points aside, I think we need to address the question of why the size of government and the budget continues to grow – up 12 percent. We can get the answers to those questions by supporting zero-based budgeting. Only then can we find out exactly how all the monies we fund are being spent and whether these monies are being spent wisely or foolishly.

"I know we worked towards opening up the budget worksheets this year. That was good. The next step is to open up the entire budget. Please support zero-based budgeting. It's good government and the right thing to do.

"Thank you."

Senator Slom rose in favor of the measure with reservations and said:

"Mr. President, I, too, rise to speak in favor of the budget with reservations.

"Again, I would like to add my congratulations to the Ways and Means Chair and to the staff and to everyone that worked on this. I think it was a far more open and deliberative process than in the past. The fact that the worksheets were finally made available, finally put online, I think is a very good step. But as the good Senator from Kaneohe just said, we really have to reform the entire system.

"What good is it if you have worksheets that just basically build upon an original budget that's been submitted when you don't know what the original estimates were, what the options were, what the considerations were before you even got those figures. We have to learn to use that clear button that we have on our computers and on adding machines and everything else so that we can start fresh and start from there. It's a good exercise and something that we have to do.

"Mr. President, a 12 percent increase in this budget, followed by what amounts to a 17 percent increase the second year compared to the current year spending, to me is not a success. To me, what it does is set up the scenario for future greater expenditures, more of a budget bloat, and Mr. President, I awoke to read the comments of yourself and the Speaker of the House who said, 'my goodness, we may be looking at tax increases in the next year or two or three.'

"Well, what drives those tax increases? Bigger budgets – make no mistake, a bigger budget, particularly one of 12 percent. When our GSP (gross state product) is only growing, in a good year, in less than 4 percent, you're setting up the possibility of the demands for revenue enhancement, which is the euphemism for more taxes. There are only so many of us who can pay that because we're not doing the things that we need to do to improve the economy, to expand business, to bring in new business at a rate that we should be competitive not only as a state, but also with the other states and areas around the country and around the world.

"So, Mr. President, we have made a good start on this budget, but to talk about it in terms of it being a success or that it meets all of our needs I think is missing the boat. We need to make change. All of us pledged ourselves to making change, and these kinds of increases – 12 percent and 17 percent – do not represent change.

"One final comment, and that has to do with Felix. I wish I were as certain as the Ways and Means Chair that we have kept a keen eye on Felix for seven years. I think maybe that eye was a little blinded, because if we had kept an eye on it, if we would have listened to some of the alerts and warnings years ago, we would have been able to head off or at least mitigate the kinds of costs that we're faced with now. And the question really before us is, How much is adequate spending for Felix? How much is enough? We don't know, and we're still faced with the situation where no one individual in this state is responsible for the delivery of these services and also responsible for the accountability to the Legislature and to the taxpayers.

"So, while we have made good strides, we still have a long way to go and it basically means that we have to change things.

"Final comments on Felix have to do with the fact that as we learn from the two consultants from the University of Pennsylvania, who were here at the behest of the Legislative Auditor, we still don't have an adequate definition for what constitutes Felix services. And without a definition, you can never have financial control. Secondly, we have not had and still do not have a business plan for this, a growing major part of our budgetary expenditures.

"So we can pat ourselves on the back and say that we worked very hard, that we were more open than ever before, that we were deliberative, but we still have a long way to go. Thank you, Mr. President."

Senator Sakamoto rose in support of the measure and said:

"Mr. President, I rise in support with comments on some of the remarks made.

"I agree with Chair Taniguchi that the partnership he created with Chair Takamine helped the process, and I applaud him and the Committee for that.

"In response to some of the comments about the increases in the budget, we, the Legislative body, have been criticized on both sides of the aisle for claiming education was our number one priority. Certainly in this budget, Mr. President, we're advancing education on many fronts. Much of the cost increase has been to support education with 200-plus positions in clerical, which the schools are crying out for and is included in the budget, and 200-plus positions for teachers. On one hand we can't say, 'well the budget is going up,' and on the other hand say, 'but don't increase education.' But if we do say, 'increase education,' then we do need to support increases.

"In other areas such as Felix, certainly more needs to be done. I would ask the members on both sides of the aisle, since we passed a measure to further investigate this on the Legislature's behalf, House and Senate, let's not just complain that it's a problem, let's not just look at what we could have or should have done or didn't do. Let's look at what we can do. I asked each person here to talk to people and ask them if there's a problem with our Felix system – be it the health delivery system, be it the educational system, be it any part of it – to write down what they think in terms of how we can improve the system.

"Many members in this body are looking at issues of how we can improve the system and this body in its wisdom has agreed with the House to move forward on investigating Felix. Certainly we're here today, Mr. President, and let it be a year from now that we can say we have a plan to go beyond the consent decree, to go beyond Judge Ezra and to really say we have a plan – we can quantify our costs, we can use early intervention funds to catch problems early, we can use prevention funds to prevent problems from growing, and we can indeed have a picture of what it takes to care for our mentally disabled children of this State, Mr. President."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 151 was adopted and H.B. No. 200, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At 10:46 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:53 o'clock a.m.

ADVISE AND CONSENT

Stand. Com. Rep. No. 1802 (Gov. Msg. No. 292):

Senator Matsuura moved that Stand. Com. Rep. No. 1802 be received and placed on file, seconded by Senator Buen and carried.

Senator Matsuura then moved that the Senate advise and consent to the nominations to the State Rehabilitation Council of the following:

KATHLEEN DELAHANTY, term to expire June 30, 2002;

LOURDES P. MUGAS, term to expire June 30, 2003; and

MAUREEN BATES, CHARLES E. CONANT, GERALDINE M. FERGE, LUANA S. NAKANO, VICTORIA A. SUYAT and MIKEY T. TOMITA, terms to expire June 30, 2004,

seconded by Senator Buen.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1803 (Gov. Msg. No. 293):

Senator Tam moved that Stand. Com. Rep. No. 1803 be received and placed on file, seconded by Senator Ige and carried.

Senator Tam then moved that the Senate advise and consent to the nominations to the Small Business Regulatory Review Board of the following:

AL M. INOUE and DENNIS OKIHARA, terms to expire June 30, 2001, and June 30, 2005;

WARREN ORIKASA and KATSUMI TANAKA, terms to expire June 30, 2002;

SIDNEY A. QUINTAL, MAILE V.O. ROMANOWSKI and ROBERT SPEERS, PH.D., terms to expire June 30, 2004; and

NOLAN S.B. AHN, CAROLANN G. GUY and PHYLLIS N.T. SHEA, terms to expire June 30, 2005,

seconded by Senator Ige.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1804 (Gov. Msg. No. 185):

Senator Menor moved that Stand. Com. Rep. No. 1804 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nominations of MITCHELL A. IMANAKA and JOHN OHAMA to the Real Estate Commission, terms to expire June 30, 2005, seconded by Senator Matsunaga.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1805 (Gov. Msg. No. 272):

Senator Menor moved that Stand. Com. Rep. No. 1805 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nomination of DAVID M. MORIHARA to the Public Utilities Commission, term to expire June 30, 2002, seconded by Senator Matsunaga.

At 10:54 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:55 o'clock a.m.

Senator Menor rose to speak in favor of the nominee and said:

"Mr. President, I rise to speak in favor of Gov. Msg. No. 272.

"Mr. President, this governor's message relates to David Morihara who is the Governor's nominee to the Public Utilities Commission.

"Mr. President, I cannot think of a person who is more eminently qualified than David Morihara to serve as Commissioner on the Public Utilities Commission. I had the privilege of serving with Dave in the State House for several years where he earned the respect of his colleagues for his

intelligence, competence, and integrity. As we all know, Dave accomplished a great deal during his terms of office as a State Representative, including his leadership in obtaining the passage of high technology legislation, which represented one of the most significant pieces of legislation in the area of economic development that the Legislature has adopted in recent years.

"Mr. President, when Dave announced his decision not to seek reelection two years ago, I felt that his departure from the Legislature would be a major loss for this body. Fortunately, Dave decided to continue his involvement in public service when he agreed to serve as the Governor's executive assistant for technology, marketing and development for our State. I'm especially pleased that the Governor has decided to utilize Dave's talents and qualifications further by appointing him as one of three commissioners on the important Public Utilities Commission. I'm sure that he will do an exceptional job in that capacity.

"For these reasons, I'm glad to recommend the confirmation of David Morihara to the Public Utilities Commission and would ask my colleagues to support his confirmation. I believe that Representative Morihara is seated in the gallery, so could he please stand up to be recognized. (Mr. Morihara rose to be recognized.) Best wishes to Dave in his future endeavors.

"Thank you very much."

Senator Chumbley rose in support of the nominee and stated:

"Mr. President, I, too, rise to speak in support of Gov. Msg. No. 272.

"David Morihara epitomizes a public employee. He is a well-respected individual of our island home of Maui County and an individual that has given a tremendous amount of his life to serving the public. I was also disappointed when David made the announcement that he would be retiring from the Legislature but I was heartened when the Governor asked him to continue on, and I was more heartened when the Governor chose him to be on the PUC.

"This is the kind of individual that I think we all want to aspire to be and I want to encourage all of my colleagues to please support David. But on a side note, and maybe a note of humor, David often takes many Legislators on hikes and I've got to tell you he's a little bit lazy because he wants everyone else to carry his pack. That may not be quite all true, but we have to have a little humor in what we're doing this morning.

"I encourage all of you to please support David. Thank you."

Senator Slom rose in support of the nominee and said:

"Mr. President, I, too, rise in support of Gov. Msg. No. 272.

"Republicans, of course, are always used to carrying Democrat packs. (Laughter.) But just to show you that this is bipartisan, David Morihara was an excellent Legislator. He's an outstanding individual. He's got the experience; he's got the talent; and he's got the knowledge. He comes from a small business background and he will be a much-needed addition to our State.

"So I'm very happy to support him. Thank you."

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1806 (Gov. Msg. No. 311):

Senator Kanno moved that Stand. Com. Rep. No. 1806 be received and placed on file, seconded by Senator Matsuura and carried.

Senator Kanno then moved that the Senate advise and consent to the nomination of ALFRED K. BEAVER, SR., as the Chairperson, Hawai'i Paroling Authority, term to expire June 30, 2004, seconded by Senator Matsuura.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1807 (Gov. Msg. No. 295):

Senator Tam moved that Stand. Com. Rep. No. 1807 be received and placed on file, seconded by Senator Kim and carried.

Senator Tam then moved that the Senate advise and consent to the nominations of ANTHONY R. GUERRERO, JR., and CAROLE KAI ONOUE to the Stadium Authority, terms to expire June 30, 2005, seconded by Senator Kim.

Senator Slom requested his vote for Carole Kai Onouye be cast "aye, with reservations," and the Chair so ordered.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1810 (Gov. Msg. No. 178):

By unanimous consent, action on Stand. Com. Rep. No. 1810 and Gov. Msg. No. 178 was deferred to the end of the calendar.

Stand. Com. Rep. No. 1811 (Gov. Msg. No. 259):

Senator Menor moved that Stand. Com. Rep. No. 1811 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nomination of H. ROGER NETZER, M.D., to the Board of Medical Examiners, term to expire June 30, 2005, seconded by Senator Matsunaga.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1812 (Gov. Msg. No. 262):

Senator Menor moved that Stand. Com. Rep. No. 1812 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nominations of WAYNE K. DE LUZ and ERNIE K. SEIBOLD to the Motor Vehicle Industry Licensing Board, terms to expire June 30, 2005, seconded by Senator Matsunaga.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1813 (Gov. Msg. No. 279):

Senator Menor moved that Stand. Com. Rep. No. 1813 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nominations of RUSSELL Y.J. CHUNG, WALLACE T. OKI and KEN OTA to the State Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, terms to expire June 30, 2005, seconded by Senator Matsunaga.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1814 (Gov. Msg. No. 300):

Senator Matsuura moved that Stand. Com. Rep. No. 1814 be received and placed on file, seconded by Senator Buen and carried.

Senator Matsuura then moved that the Senate advise and consent to the nominations of PINA LEMUSU, MARGERY SAUVE and GARRETT TOGUCHI to the Statewide Independent Living Council, terms to expire June 30, 2004, seconded by Senator Buen.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1815 (Gov. Msg. No. 290):

Senator Menor moved that Stand. Com. Rep. No. 1815 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nomination of PAUL C. AKEO to the Board of Private Detectives and Guards, term to expire June 30, 2005, seconded by Senator Matsunaga.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1816 (Gov. Msg. No. 294):

Senator Menor moved that Stand. Com. Rep. No. 1816 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nominations of FAITH Y. LEBB and NORA A. NOMURA to the Board of Speech Pathology and Audiology, terms to expire June 30, 2005, seconded by Senator Matsunaga.

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

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1817 (Gov. Msg. No. 302):

Senator Menor moved that Stand. Com. Rep. No. 1817 be received and placed on file, seconded by Senator Matsunaga and carried.

Senator Menor then moved that the Senate advise and consent to the nominations to the Contractors License Board of the following:

R.P. BUCK SCHIPA, term to expire June 30, 2004; and

TADY T. ARISUMI, TSUKASA MURAKAMI, AUDREY E.J. NG and GERARD SAKAMOTO, terms to expire June 30, 2005,

seconded by Senator Matsunaga.

Senator Sakamoto rose for a conflict ruling as follows:

"Mr. President, my brother is one of the nominees, so I may have a potential conflict."

The President ruled that Senator Sakamoto was not in conflict.

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

Ayes, 25. Noes, none.

ADOPTION OF RESOLUTIONS

MATTERS DEFERRED FROM FRIDAY, APRIL 27, 2001

Stand. Com. Rep. No. 1800 (H.C.R. No. 11):

On motion by Senator English, seconded by Senator Hemmings and carried, the report of the Committee was adopted and H.C.R. No. 11, entitled: "HOUSE CONCURRENT RESOLUTION AUTHORIZING THE LEASE OF SUBMERGED LANDS AT DUKE KAHANAMOKU BEACH AT WAIKIKI, HONOLULU, OAHU, FOR PIER PURPOSES," was adopted.

Stand. Com. Rep. No. 1801 (H.C.R. No. 12):

On motion by Senator English, seconded by Senator Hemmings and carried, the report of the Committee was adopted and H.C.R. No. 12, entitled: "HOUSE CONCURRENT RESOLUTION SUBMITTING TO THE LEGISLATURE OF THE STATE OF HAWAII FOR REVIEW OF ACTION TAKEN BY THE BOARD OF LAND AND NATURAL RESOURCES ON LAND EXCHANGES," was adopted.

Stand. Com. Rep. No. 1808 (S.R. No. 75, S.D. 1):

On motion by Senator English, seconded by Senator Hemmings and carried, the report of the Committee was adopted and S.R. No. 75, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING THE SENATE ECONOMIC DEVELOPMENT AND TECHNOLOGY COMMITTEE TO ENCOURAGE ECONOMIC DEVELOPMENT BY HOLDING PUBLIC HEARINGS ON ORGANIZING A MULTICULTURAL VILLAGE AT KAKAOKO AND DEVELOPING A WATERFRONT MASTER PLAN FROM KEEHI LAGOON TO KAKAOKO," was adopted.

Stand. Com. Rep. No. 1809 (H.C.R. No. 93):

On motion by Senator English, seconded by Senator Hemmings and carried, the report of the Committee was adopted and H.C.R. No. 93, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE FEDERAL GOVERNMENT TO DESIGNATE A NEW NATIONAL PARK FROM KEONE`O`IO TO KANALOA POINT ON THE SOUTHEAST COAST OF MAUI," was adopted.

FINAL ADOPTION

S.C.R. No. 7, S.D. 1, H.D. 1:

On motion by Senator English, seconded by Senator Hemmings and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 7, S.D. 1, and S.C.R. No. 7, S.D. 1, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEVELOPMENT OF A PLAN TO IMPROVE ORAL HEALTH FOR CHILDREN, LOW-INCOME ADULTS, AND THE DISABLED IN THE STATE," was Finally Adopted.

S.C.R. No. 15, H.D. 1:

On motion by Senator English, seconded by Senator Hemmings and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 15 and S.C.R. No. 15, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE CREATION OF A COORDINATING COMMITTEE TO OVERSEE THE CARE OF MEDICALLY FRAGILE CHILDREN," was Finally Adopted.

S.C.R. No. 41, S.D. 1, H.D. 1:

On motion by Senator English, seconded by Senator Hemmings and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 41, S.D. 1, and S.C.R. No. 41, S.D. 1, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO ESTABLISH A NEUROTRAUMA TASK FORCE," was Finally Adopted.

S.C.R. No. 42, H.D. 1:

On motion by Senator English, seconded by Senator Hemmings and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 42 and S.C.R. No. 42, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH AND DEPARTMENT OF EDUCATION TO EXAMINE THE PROBLEM OF CHILDHOOD OBESITY AND TO RECOMMEND STRATEGIES, INCLUDING THE CREATION OF AN ELEMENTARY SCHOOL LEVEL PHYSICAL EDUCATION PROGRAM, TO ADDRESS THIS PROBLEM," was Finally Adopted.

S.C.R. No. 85, H.D. 1:

On motion by Senator English, seconded by Senator Hemmings and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 85 and S.C.R. No. 85, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO ESTABLISH A TASK FORCE TO GATHER PUBLIC INPUT AND RECOMMEND STATUTORY CAVE LAW," was Finally Adopted.

S.C.R. No. 150, S.D. 1, H.D. 1:

On motion by Senator English, seconded by Senator Hemmings and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 150, S.D. 1, and S.C.R.

No. 150, S.D. 1, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE DEVELOPMENT OF A MORE CONSUMER FRIENDLY UNIFIED SYSTEM FOR FREE PRESCRIPTION DRUGS, ESTABLISHMENT OF A WORKING COMMITTEE TO DEVELOP A PRESCRIPTION DRUG ACCESS PROGRAM, AND URGING THE PRESIDENT AND UNITED STATES CONGRESS TO ADDRESS THE PROBLEM OF HIGH PRESCRIPTION DRUG COSTS," was Finally Adopted.

RECOMMITTAL OF BILLS

Conf. Com. Rep. No. 37 (S.B. No. 796, S.D. 1, H.D. 2, C.D. 1):

By unanimous consent, Conf. Com. Rep. No. 37 and S.B. No. 796, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE AND COUNTY TORT LIABILITY," were recommitted to the Committee on Conference.

Conf. Com. Rep. No. 69 (H.B. No. 728, S.D. 1, C.D. 1):

By unanimous consent, Conf. Com. Rep. No. 69 and H.B. No. 728, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INCREASING DEVELOPMENT FLEXIBILITY OF PUBLIC LANDS," were recommitted to the Committee on Conference.

FINAL READING

MATTER DEFERRED FROM WEDNESDAY, APRIL 25, 2001

Conf. Com. Rep. No. 1 (S.B. No. 1193, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Hanabusa, seconded by Senator Buen and carried, Conf. Com. Rep. No. 1 was adopted and S.B. No. 1193, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX ON NONPROFIT ORGANIZATIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

FINAL READING

MATTER DEFERRED FROM THURSDAY, APRIL 26, 2001

Conf. Com. Rep. No. 2 (S.B. No. 986, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Chun, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 2 was adopted and S.B. No. 986, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

FINAL READING

Conf. Com. Rep. No. 3 (S.B. No. 606, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Inouye, seconded by Senator Buen and carried, Conf. Com. Rep. No. 3 was adopted and S.B. No. 606, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLED WATER," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 4 (S.B. No. 178, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Kim, seconded by Senator Menor and carried, Conf. Com. Rep. No. 4 was adopted and S.B. No. 178, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 5 (S.B. No. 1162, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Inouye, seconded by Senator Kawamoto and carried, Conf. Com. Rep. No. 5 was adopted and S.B. No. 1162, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC NOTICE REQUIREMENTS FOR PUBLIC LAND DISPOSITIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 7 (S.B. No. 221, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Buen, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 7 was adopted and S.B. No. 221, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 8 (S.B. No. 900, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Kim, seconded by Senator Kawamoto and carried, Conf. Com. Rep. No. 8 was adopted and S.B. No. 900, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE APPLICATIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 9 (S.B. No. 865, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Nakata and carried, Conf. Com. Rep. No. 9 was adopted and S.B. No. 865, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-TO-WORK," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 10 (S.B. No. 1081, H.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Ige and carried, Conf. Com. Rep. No. 10 was adopted and S.B. No. 1081, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 14 (S.B. No. 1119, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Menor and carried, Conf. Com. Rep. No. 14 was adopted and S.B. No. 1119, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 17 (S.B. No. 1390, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Chun, seconded by Senator Chun Oakland and carried, Conf. Com. Rep. No. 17 was adopted and S.B. No. 1390, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRADITIONAL HAWAIIAN HEALING PRACTICES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 18 (S.B. No. 1123, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 18 was adopted and S.B. No. 1123, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL RECORDS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 19 (S.B. No. 1455, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 19 was adopted and S.B. No. 1455, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CHILDREN'S ADVOCACY PROGRAM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 20 (S.B. No. 1276, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Tam, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 20 was adopted and S.B. No. 1276, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CYBERSQUATTING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 22 (S.B. No. 683, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 22 was adopted and S.B. No. 683, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 24 (S.B. No. 1178, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 24 was adopted and S.B. No. 1178, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 25 (S.B. No. 1102, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Chun, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 25 was adopted and S.B. No. 1102, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 26 (S.B. No. 1061, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator English and carried, Conf. Com. Rep. No. 26 was adopted and S.B. No. 1061, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 29 (S.B. No. 1079, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Kim and carried, Conf. Com. Rep. No. 29 was adopted and S.B. No. 1079, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED LIABILITY PARTNERSHIPS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 30 (S.B. No. 1349, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Kim and carried, Conf. Com. Rep. No. 30 was adopted and S.B. No. 1349, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MUTUAL BENEFIT SOCIETIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 34 (S.B. No. 1199, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Fukunaga and carried, Conf. Com. Rep. No. 34 was adopted and S.B. No. 1199, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS ON PUBLIC PROPERTY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 35 (S.B. No. 950, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Tam, seconded by Senator Inouye and carried, Conf. Com. Rep. No. 35 was adopted and S.B. No. 950, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DIAMOND HEAD," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 40 (S.B. No. 981, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Inouye, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 40 was adopted and S.B. No. 981, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF LAND AND NATURAL RESOURCES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 54 (H.B. No. 1556, S.D. 1, C.D. 1):

On motion by Senator Buen, seconded by Senator Chun and carried, Conf. Com. Rep. No. 54 was adopted and H.B. No. 1556, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 56 (H.B. No. 638, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 56 was adopted and H.B. No. 638, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 57 (H.B. No. 731, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Ige and carried, Conf. Com. Rep. No. 57 was adopted and H.B. No. 731, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 58 (H.B. No. 16, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Kim, seconded by Senator Menor and carried, Conf. Com. Rep. No. 58 was adopted and H.B. No. 16, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 59 (H.B. No. 896, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Chumbley and carried, Conf. Com. Rep. No. 59 was adopted and H.B. No. 896, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL

FOR AN ACT RELATING TO THE REVISED UNIFORM COMMERCIAL CODE ARTICLE 9 – SECURED TRANSACTIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 60 (H.B. No. 945, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Menor and carried, Conf. Com. Rep. No. 60 was adopted and H.B. No. 945, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORK," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 61 (H.B. No. 614, H.D. 2, S.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator English and carried, Conf. Com. Rep. No. 61 was adopted and H.B. No. 614, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 62 (H.B. No. 868, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Kawamoto and carried, Conf. Com. Rep. No. 62 was adopted and H.B. No. 868, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 65 (H.B. No. 702, H.D. 2, S.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 65 was adopted and H.B. No. 702, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL HEALTH CARE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 71 (H.B. No. 624, S.D. 1, C.D. 1):

On motion by Senator Chun, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 71 was adopted and H.B. No. 624, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 72 (H.B. No. 986, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Matsuura and carried, Conf. Com. Rep. No. 72 was adopted and H.B. No. 986, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION DOCUMENTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 73 (H.B. No. 1004, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Matsuura and carried, Conf. Com. Rep. No. 73 was adopted and H.B. No. 1004, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ORIGINAL JURISDICTION OF THE HAWAII SUPREME COURT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 74 (H.B. No. 1115, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Matsuura and carried, Conf. Com. Rep. No. 74 was adopted and H.B. No. 1115, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMISSIBILITY OF PAID BILLS IN COURT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 76 (H.B. No. 161, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Nakata, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 76 was adopted and H.B. No. 161, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 78 (H.B. No. 1255, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Fukunaga and carried, Conf. Com. Rep. No. 78 was adopted and H.B. No. 1255, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MINORS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 79 (H.B. No. 583, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Menor, seconded by Senator English and carried, Conf. Com. Rep. No. 79 was adopted and H.B. No. 583, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CODE OF FINANCIAL INSTITUTIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 81 (H.B. No. 644, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Menor and carried, Conf. Com. Rep. No. 81 was adopted and H.B. No. 644, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 82 (H.B. No. 653, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Menor and carried, Conf. Com. Rep. No. 82 was adopted and H.B. No. 653, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE TREATMENT INSURANCE BENEFITS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 83 (H.B. No. 1243, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Tam and carried, Conf. Com. Rep. No. 83 was adopted and H.B. No. 1243, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 84 (H.B. No. 204, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Chumbley and carried, Conf. Com. Rep. No. 84 was adopted and H.B. No. 204, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 86 (H.B. No. 594, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Menor, seconded by Senator Kim and carried, Conf. Com. Rep. No. 86 was adopted and H.B. No. 594, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION COURSES AND COURSE PROVIDERS FOR INSURANCE LICENSEES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 88 (H.B. No. 498, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 88 was adopted and H.B. No. 498, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 90 (H.B. No. 645, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Matsuura and carried, Conf. Com. Rep. No. 90 was adopted and H.B. No. 645, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF INCOMPETENT PERSONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 92 (H.B. No. 599, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 92 was adopted and H.B. No. 599, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 108 (H.B. No. 160, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kim, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 108 was adopted and H.B. No. 160, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUDULENT CLAIMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 117 (H.B. No. 1074, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Buen, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 117 was adopted and H.B. No. 1074, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DROUGHT MITIGATING FACILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 127 (S.B. No. 932, S.D. 2, H.D. 4, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 127 was adopted and S.B. No. 932, S.D. 2, H.D. 4, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 160 (S.B. No. 119, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Kanno, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 160 was adopted and S.B. No. 119, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 163 (S.B. No. 684, H.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 163 was adopted and S.B. No. 684, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FEES OF THE SHERIFF'S OFFICE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 24, S.D. 2, H.D. 2:

On motion by Senator Nakata, seconded by Senator Hanabusa and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 24, S.D. 2, and S.B. No. 24, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 64, S.D. 1, H.D. 1:

On motion by Senator Kanno, seconded by Senator Matsuura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 64, S.D. 1, and S.B. No. 64, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 67, S.D. 1, H.D. 1:

On motion by Senator Kanno, seconded by Senator Matsuura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 67, S.D. 1, and S.B. No. 67, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 69, S.D. 1, H.D. 1:

On motion by Senator Kanno, seconded by Senator Matsuura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 69, S.D. 1, and S.B. No. 69, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROTECTIVE ORDER," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 97, H.D. 1:

On motion by Senator Tam, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 97 and S.B. No. 97, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TELEMARKETING FRAUD," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 98, H.D. 1:

On motion by Senator Kanno, seconded by Senator Matsuura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 98 and S.B. No. 98, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LEGAL SERVICES FOR THE INDIGENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 209, S.D. 2, H.D. 2:

On motion by Senator Kawamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments

proposed by the House to S.B. No. 209, S.D. 2, and S.B. No. 209, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 525, S.D. 1, H.D. 1:

On motion by Senator Sakamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 525, S.D. 1, and S.B. No. 525, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TEXTBOOKS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 597, S.D. 1, H.D. 1:

On motion by Senator Kanno, seconded by Senator Hanabusa and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 597, S.D. 1, and S.B. No. 597, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE COUNCIL ON DEVELOPMENTAL DISABILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 640, S.D. 1, H.D. 1:

On motion by Senator Buen, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 640, S.D. 1, and S.B. No. 640, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 670, S.D. 1, H.D. 1:

On motion by Senator Sakamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 670, S.D. 1, and S.B. No. 670, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE STUDENT COUNCIL," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 752, S.D. 1, H.D. 1:

On motion by Senator Kawamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 752, S.D. 1, and S.B. No. 752, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BOATING FACILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 759, S.D. 1, H.D. 1:

On motion by Senator Kanno, seconded by Senator Matsuura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 759, S.D. 1, and S.B. No. 759, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TORT ACTIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 854, S.D. 1, H.D. 1:

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 854, S.D. 1, and S.B. No. 854, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 905, H.D. 1:

On motion by Senator Kawamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 905 and S.B. No. 905, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENFORCEMENT OF THE LOBBYIST LAW," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1050, S.D. 1, H.D. 1:

On motion by Senator Hanabusa, seconded by Senator Chun and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1050, S.D. 1, and S.B. No. 1050, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE AUTHORIZATION OF SPECIAL PURPOSE REVENUE BONDS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1062, S.D. 1, H.D. 1:

On motion by Senator Menor, seconded by Senator English and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1062, S.D. 1, and S.B. No. 1062, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVERSION OF PROFESSIONAL AND VOCATIONAL LICENSES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1065, H.D. 1:

On motion by Senator Menor, seconded by Senator English and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1065 and S.B. No. 1065, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ARCHITECTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1069, S.D. 1, H.D. 1:

On motion by Senator Menor, seconded by Senator English and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1069, S.D. 1, and S.B. No. 1069, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1082, S.D. 1, H.D. 2:

On motion by Senator Sakamoto, seconded by Senator Nakata and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1082, S.D. 1, and S.B. No. 1082, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1101, H.D. 1:

On motion by Senator Chun, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1101 and S.B. No. 1101, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1165, S.D. 1, H.D. 2:

On motion by Senator Inouye, seconded by Senator Kokubun and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1165, S.D. 1, and S.B. No. 1165, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PENALTIES FOR NATURAL RESOURCES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1207, S.D. 1, H.D. 2:

On motion by Senator Sakamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1207, S.D. 1, and S.B. No. 1207, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1208, S.D. 1, H.D. 3:

On motion by Senator Sakamoto, seconded by Senator Kanno and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1208, S.D. 1, and S.B. No. 1208, S.D. 1, H.D. 3, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1264, S.D. 2, H.D. 2:

On motion by Senator Buen, seconded by Senator Chun and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1264, S.D. 2, and S.B. No. 1264, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 1315, S.D. 2, H.D. 2:

On motion by Senator Sakamoto, seconded by Senator Taniguchi and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1315, S.D. 2, and S.B. No. 1315, S.D. 2, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

MATTERS DEFERRED FROM WEDNESDAY, APRIL 25, 2001

Stand. Com. Rep. No. 1698 (H.B. No. 1118, H.D. 1):

On motion by Senator Inouye, seconded by Senator Chun Oakland and carried, Stand. Com. Rep. No. 1698 was adopted and H.B. No. 1118, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUNTING," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 567:

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, H.B. No. 567, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1725 (H.B. No. 144):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1725 was adopted and H.B. No. 144, entitled: "A BILL FOR AN ACT RELATING TO KAHOLAWE ISLAND RESERVE," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1726 (H.B. No. 444, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1726 was adopted and H.B. No. 444, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BURIAL SITES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1728 (H.B. No. 508):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1728 was adopted and H.B. No. 508, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION PROJECTS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1729 (H.B. No. 540, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1729 was adopted and H.B. No. 540, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1730 (H.B. No. 544, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1730 was adopted and H.B. No. 544, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1732 (H.B. No. 564, H.D. 2):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1732 was adopted and H.B. No. 564, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1734 (H.B. No. 611, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1734 was adopted and H.B. No. 611, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONCESSIONS AT PUBLIC LIBRARY FACILITIES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1735 (H.B. No. 612, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1735 was adopted and H.B. No. 612, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE LIBRARY ENHANCED SERVICES PROGRAM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1737 (H.B. No. 670, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1737 was adopted and H.B. No. 670, H.D. 1, entitled: "A BILL FOR AN ACT

RELATING TO EMPLOYMENT SECURITY," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1738 (H.B. No. 676, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1738 was adopted and H.B. No. 676, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL AND CAREER INFORMATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1740 (H.B. No. 869):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1740 was adopted and H.B. No. 869, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1741 (H.B. No. 693):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1741 was adopted and H.B. No. 693, entitled: "A BILL FOR AN ACT RELATING TO THE BUREAU OF CONVEYANCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

Stand. Com. Rep. No. 1799 (H.B. No. 1345, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1799 was adopted and H.B. No. 1345, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY CONTENT OF FUELS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Stand. Com. Rep. No. 1818 (H.B. No. 730, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1818 was adopted and H.B. No. 730, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

FINAL READING

Conf. Com. Rep. No. 6 (S.B. No. 48, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Inouye, seconded by Senator Buen and carried, Conf. Com. Rep. No. 6 was adopted and S.B. No. 48, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," having been read

throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Ihara).

Conf. Com. Rep. No. 15 (S.B. No. 1385, H.D. 1, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 15 be adopted and S.B. No. 1385, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Nakata.

Senator Sakamoto rose in support of the measure and said:

“Mr. President, I rise to speak in support of S.B. No. 1385.

“This measure implements certain recommendations of the Auditor relating to inequities in the salary structure of educational officers. It would require the department in collaboration with the University of Hawaii Office of Human Resources to conduct a formal comprehensive salary survey, implement the formal job evaluation methodology, and to report its findings to the Legislature no later than 20 days before the 2002 Regular Session.

“Mr. President, the audit revealed significant inequities in salary compensation as well as job classifications in the Department of Education. It was found that the salaries of some department personnel were substantially higher than comparable jobs in the private and some public sectors. Therefore, Mr. President, this measure would seek to correct these compensation and classification inequities.

“Mr. President, in this regard, public education in this State is a big business. As mentioned before, it’s a \$1.5 billion a year business. Because of this magnitude of operations, your Committee on Education has endeavored to initiate and facilitate legislation that would be the foundation and the impetus from which our young people, hard-working teachers, administrators, and parents could more effectively use these limited resources.

“Mr. President, education is a priority of the Senate and we have passed a significant number of educational initiatives this Session. These initiatives include correcting major maintenance deficiencies and creating an omnibus school repair and maintenance program, establishing public/private partnership for repair and maintenance, and increasing school-level minor repair funding. For parents and community, we initiated measures to assist and increase efforts in the parent community network, which gets parents involved with schools. For athletic coaches who are teachers, as well as non-teachers, we’ve provided appropriate funding that would increase their compensation for their skills and for their efforts. For students, we have measures to formally establish the Hawaii State Student Council.

“Another major initiative is infusion of substantial appropriation of resources into the Felix consent decree program. Teachers will be substantially improved with the establishment of the Hawaii Teacher’s Standards Board and professional development programs. And similarly, another major initiative is the recruitment and retention of principals and vice principals.

“Mr. President, the DOE lacks sufficient support staff for the total environment, but this budget adds 200 teachers, 200 clerical personnel, 9 business managers, and 42 business assistants. The focus has been to provide appropriate staff and tools so we can work smarter and use our resources more efficiently. So the goal is to keep qualified teachers in the classroom as well as supporting them.

“Finally, Mr. President, just as important, measures such as this will provide other measures related to textbooks, after-school activities, charter schools, art in the schools. We’ve attempted, in measures like this, to use the dollars more efficiently and with the efforts of your Education Committee and all of us here in the Senate, we hopefully can continue in the future to bear the fruits of our labor.

“Thank you, Mr. President.”

Senator Hogue rose to speak on the measure with reservations and said:

“Mr. President, I rise to speak on this bill with some reservations.

“This measure, as the good Senator from Salt Lake mentioned, seeks to address inequities between the salaries of educational officers and comparable positions in other state agencies. The intent is definitely a step in the right direction as the Senate Education Chair already mentioned, but the measure really doesn’t go far enough.

“This measure directs the Department of Education to conduct a classification study and a survey to assess positions, allocations, salaries, and classifications within the department. The department is then directed to implement a formal job evaluation methodology that is consistent with the class structure already adopted. However, the Department of Education, in accordance with and working with the University of Hawaii, is really not the appropriate agency to perform a study, survey, and evaluation on itself, which essentially is what happens in this bill.

“The Auditor’s report upon which the bill was originally based cited specific inequities and specific solutions. I don’t think that this is what they had in mind.

“We must hold our public school system accountable, not just halfheartedly. Thank you.”

Senator Slom then requested his vote be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 15 was adopted and S.B. No. 1385, H.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE SALARY STRUCTURE OF EDUCATIONAL OFFICERS IN THE DEPARTMENT OF EDUCATION,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 23 (S.B. No. 1512, H.D. 1, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 23 be adopted and S.B. No. 1512, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Hemmings rose to speak in favor of the measure and said:

“Mr. President, I rise to speak in favor of this bill.

“In short, Mr. President, as reiterated in the conference draft of this bill, this bill may be a real dog and pony show. Thank you.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 23 was adopted and S.B. No. 1512, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

Conf. Com. Rep. No. 27 (S.B. No. 1066, S.D. 1, H.D. 1, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 27 be adopted and S.B. No. 1066, S.D. 1, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kim.

Senator Slom rose in opposition of the measure and stated:

"Mr. President, I rise to speak in opposition to the bill.

"The bill seeks to enhance consumer protection by putting a further burden on mutual benefit societies and health maintenance organizations. As we're going to be discussing this morning and into this afternoon probably, health maintenance and health costs are going to be a major part of our cost decisions. What this bill does is to mandate that the current net worth minimum requirement of \$1.5 million be increased to \$2 million.

"I don't think it's going to provide additional consumer protection because we already have the laws and we have the regulations in effect. I think it will be more of a burden on the health delivery systems, which in turn will pass these burdens on to the consumers.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 27 was adopted and S.B. No. 1066, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Hogue, Slom). Excused, 1 (Chun).

Conf. Com. Rep. No. 28 (S.B. No. 1071, H.D. 1, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 28 be adopted and S.B. No. 1071, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chumbley.

Senator Slom rose in opposition to the measure as follows:

"Mr. President, I rise to speak in opposition to the bill.

"Again, the measure changes the bonding requirements right now as well as liability insurance errors and omissions insurance specifically. It would require additional coverages for managing general agents and reinsurance intermediary managers.

"It is not necessary. It will not provide additional consumer protection, and it will again increase the cost of insurance to consumers.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 28 was adopted and S.B. No. 1071, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO

INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Hogue, Slom). Excused, 1 (Chun).

Conf. Com. Rep. No. 31 (S.B. No. 1550, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Menor, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 31 was adopted and S.B. No. 1550, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 32 (S.B. No. 643, S.D. 2, H.D. 1, C.D. 1):

Senator Buen moved that Conf. Com. Rep. No. 32 be adopted and S.B. No. 643, S.D. 2, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kanno.

Senator Slom rose to support the measure and said:

"Mr. President, I rise in support of this measure.

"It's about time that we have taken care of the vicious dogs, both in and out of the Legislature. I think that this is something that's been long overdue. I guess the only question left, Mr. President, is 'Who let the dogs out?'" (Laughter.)

Senator Matsunaga rose to speak in support of the measure and stated:

"Mr. President, I rise in support of this measure.

"Mr. President, I realize it has been only a couple of years since my last dog speech but, Mr. President, please remember that's 14 dog years.

"First let me commend the good Senator from Maui for her dogged efforts in bringing this bill to the Floor. I understand that this bill almost didn't make it. I understand that negotiations got very 'ruff,' but the good Senator from Maui refused to 'rollover,' and was able to successfully negotiate this bill.

"What this bill does is it authorizes and legalizes the Honolulu County ordinance which was passed earlier and it addresses a very real and specific problem – and that is dangerous dogs.

"So, Mr. President, with the passage of this measure we will no longer have the 'tail wagging the dog' and this bill will actually put some 'teeth' into our laws.

"Mr. President, I urge all my colleagues to 'bark' aye. Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 32 was adopted and S.B. No. 643, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DOGS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 33 (S.B. No. 185, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Chun and carried, Conf. Com. Rep. No. 33 was adopted and S.B. No. 185, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 36 (S.B. No. 589, S.D. 1, H.D. 1, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 36 be adopted and S.B. No. 589, S.D. 1, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Hogue rose in opposition to the measure and stated:

"Mr. President, I rise to speak in opposition to this bill.

"I should tell you first of all, colleagues, that this bill was set up so that the Insurance Commissioner could look into what is going on with one particular dental insurance provider. There apparently are some concerns about this provider and the Insurance Commissioner wants to go in and take a look at it.

"However, it gives the Insurance Commissioner extraordinary powers and essentially opens the door for him to go in and look at the books of every single dental insurance provider. I'm not sure that that's what this body wants to happen.

"We are creating a slippery slope here by really going over the top and extending too much power to the Insurance Commissioner, perhaps even giving him the chance for an abuse of power. So I encourage all of you to vote 'no.'

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 36 was adopted and S.B. No. 589, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 51 (H.B. No. 1339, H.D. 1, S.D. 1, C.D. 1):

Senator Inouye moved that Conf. Com. Rep. No. 51 be adopted and H.B. No. 1339, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator English.

Senator Hemmings rose to speak in favor of the measure with reservations and said:

"Mr. President, I rise to speak in favor of the bill with reservations.

"This is not smart growth, Mr. President. It allows the county boards to impose and collect impact fees and then put it into their general fund, which may be a good idea but not in light of the fact that the water decisions first have to be made in the shadow of the statewide water code, thus, forcing any major changes in water use at the county level to go through the state system first. These two hoops, oftentimes fraught with perils such as politics, impose tremendous impacts on the cost, ultimately, of housing and development in our communities.

"I do believe the counties should have the power, and this would be good legislation in unto itself if it wasn't superseded by the statewide water board and all its politics and machinations. Hence my reservations.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 51 was adopted and H.B. No. 1339, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WATER SUPPLY BOARDS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 52 (H.B. No. 118, H.D. 3, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Menor and carried, Conf. Com. Rep. No. 52 was adopted and H.B. No. 118, H.D. 3, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY CHILD CARE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 53 (H.B. No. 646, H.D. 1, S.D. 2, C.D. 1):

Senator Matsuura moved that Conf. Com. Rep. No. 53 be adopted and H.B. No. 646, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Menor.

Senator Hemmings rose to speak against the measure and stated:

"Mr. President, I rise to speak against this legislation.

"I have one question to ask the people that are proponents of this bill: If we're selling needles to drug addicts, where do they get the drugs?

"There was a time when giving out drug paraphernalia was a crime also. The State is simply authorizing individual drug stores or people that sell sterile syringes to be enablers. This is not the path to solving the problem; it's a path to more drug consumption and more illegal activity that's related with obtaining the drugs.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 53 was adopted and H.B. No. 646, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF STERILE SYRINGES FOR THE PREVENTION OF DISEASE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

Conf. Com. Rep. No. 55 (H.B. No. 503, H.D. 2, S.D. 2, C.D. 1):

Senator Buen moved that Conf. Com. Rep. No. 55 be adopted and H.B. No. 503, H.D. 2, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Inouye.

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

"Mr. President, I rise to speak in opposition to the bill.

"This bill actually circumvents the current lease auction process. What it does further is to place no limit on the number of lease extensions that could conceivably allow continuous extension forever, essentially removing the lands from the public land trust. So I think the public loses an opportunity to take an active part in land use.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 55 was adopted and H.B. No. 503, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE LEASES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 66 (H.B. No. 236, H.D. 1, S.D. 1, C.D. 1):

Senator Matsuura moved that Conf. Com. Rep. No. 66 be adopted and H.B. No. 236, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kanno.

Senator Fukunaga rose and said:

"Mr. President, please record a reservation for me on this vote."

The Chair so ordered.

Senator Slom rose in support of the measure and said:

"Mr. President, I rise in support of this measure.

"The public has asked very little of its public officials but one of the things it has asked over the years is why did Hawaii have the lowest age of consent in the nation? Why was it okay for young women 14 years of age to have sexual relations particularly with older men whether it was consensual or not consensual? They asked us to do something about it in the last couple of years and we didn't do it.

"This year we tried to amend the bill and change the bill and argue about the bill and I think this is one of the successes of this Session – that both the House and the Senate got together and finally reached a position that is more in line of what the public has wanted to do and has asked us, no, demanded for us to do. So I'm very happy to support this bill.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 66 was adopted and H.B. No. 236, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 67 (H.B. No. 123, H.D. 1, S.D. 1, C.D. 1):

Senator Kawamoto moved that Conf. Com. Rep. No. 67 be adopted and H.B. No. 123, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kanno.

Senator Chumbley rose to speak in opposition of the measure and stated:

"Mr. President, I rise to speak in opposition to this measure.

"Well colleagues, I won't go through my top ten list of the reasons to vote against this bill because you're all too familiar with it. I want to say that I am supportive of reducing speeding in school zones. I don't think that any of us would stand up here today and argue against that. In fact, Mr. President and colleagues, I don't even have a problem with the \$250 fine . . . let's make it \$300; let's really put some teeth into it. That's not the issue.

"Section 1 of the bill, page 2, lines 16 through 19, sets out to define what is a school zone and it reads: "'School zone' means every street and all public property in the vicinity' – in the vicinity – 'of a school as designated by the department of transportation and the counties, in their respective jurisdictions.'" While the good Chairman from Waipahu did make a good faith effort to improve this bill, I would suggest to you that the bill is even more flawed now than it was before. Because before, it was 1,000 feet, now it is the vicinity. That's a very subjective term.

"What is the vicinity? Is it 100 feet? Is it 500 feet? Is that really what we want to do? Do you want the Department of Transportation . . . and it doesn't say who in the Department of Transportation makes that decision. Is it the director? Is it the deputy director? Is it one of the civil service employees down at the lowest level? It doesn't say who in the counties makes that decision.

"So I would suggest to you that this bill is just as poorly drafted and poorly thought out in that aspect. I think we all want to make our school zones safe. This is not going to do it. This is just going to cause heartburn and pocket problems.

"Thank you."

Senators Hemmings and Slom then requested their votes be cast "aye, with reservations," and the Chair so ordered.

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

"Mr. President, I rise to speak in favor of this bill.

"Someday I hope that we and the Senator from Maui and Kauai get our signals straightened out. We have to make two fingers, one finger, three fingers, but someday I hope that in the near future we'll get the signals correct.

"When this bill came out previously, passing through this body, the complaints were about my insertion of the 15-mile speed limit because our concern was for pedestrians. Eventually the House decided that 15 miles was not a good idea, so I took that out.

"So, in the mood of facilitating this bill to go through, I accepted the House definition of allowing the DOT to designate the distance and the streets to be used as school zones. They know safety as I know safety, so we allowed them to do that.

"So I urge my colleagues to vote 'aye.' Someday, maybe next year, we're going to get together.

"Thank you very much."

Senator English rose to speak in opposition to the measure and stated:

"Mr. President, I rise in opposition to this bill.

"I have to say that it's gotten better in some areas and not so much better in others. Yes, I think the Senator from Waipahu understands which finger is coming. (Laughter.)

"Mr. President, I can tell you one thing – in my particular district, with this it is very unclear if the Director of Transportation will designate, the County Council will designate, the Mayor will designate, the engineer for the Department of Transportation on Maui. The potential for this to turn the entire Kahului/Wailuku area into a school zone is very great because you have so many schools in there.

"I cannot support it because it does that and because, Mr. President, I think that there are other ways to deal with speeding issues and deal with the protection of pedestrians than this. So I cannot support the measure.

"Thank you, Mr. President."

Senator Matsunaga rose to speak in support of the measure with reservations as follows:

"Mr. President, I rise in support of this measure with reservations.

"Mr. President, I share some of the concerns expressed by the previous speakers. I would like to point out though that on page 2, lines 20 through 21, there is a provision that allows the director to adopt rules pursuant to this chapter, which hopefully should clarify the intent that the authors had intended.

"Thank you, Mr. President."

Senators Hogue, Menor, Ige, Ihara and Kim then requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 67 was adopted and H.B. No. 123, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPEEDING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Chumbley, English).

Conf. Com. Rep. No. 68 (H.B. No. 135, H.D. 2, S.D. 1, C.D. 1):

Senator Kawamoto moved that Conf. Com. Rep. No. 68 be adopted and H.B. No. 135, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kanno.

Senator Hogue rose in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this bill.

"I've spoken on it before as this thing has passed through. I think it's well intended and I'm sure all of us want our children to be very safe. We've heard about tragic accidents; there's no doubt about that. But just like the laws that would have us put our hands at 45-degree angles or put our children in helmets as they ride their scooters around the neighborhood, I think this one is really way over the top.

"First off, it puts difficult restrictions on parents. What do parents who have small cars and several youngsters do just to get around? And what do parents who drive a truck and live in the country or on the neighbor islands do? A better idea would

be to trust parents – to trust them to make the best decisions for their children and to make them be safe.

"That's what I would do as the parent of four children, and that's why I'm voting 'no.' Thank you."

Senator Matsunaga rose in opposition and said:

"Mr. President, I rise in opposition to this measure.

"Mr. President, I would like the words of the previous speaker inserted into the Journal as my own. I would like to point out that it was just a few years ago we raised the age for booster seats to age four and now we're doubling it to age eight. I'm concerned about this trend, Mr. President. I fear by the year 2011 we'll have up to age 18 in booster seats. (Laughter.)

"So I urge my colleagues to vote 'no.' Thank you, Mr. President."

Senator English rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to this measure.

"The words of the Senator from Kaneohe are very apropos to this measure. Mr. President, I have nieces and nephews and this is in the country in Maui so understand that we feed them very well with all that poi. But they're eight years old and way over 80 pounds, so how can I possibly fit these poor kids in a safety seat?

"Mr. President, this measure is not fair to those in the rural areas, in the country, those that have to transport children, often many children, and it simply doesn't work for the outer islands and the outer districts. So I have to vote 'no' on this.

"Thank you."

Senator Kawamoto rose to speak in favor of this measure and said:

"I rise to speak in favor of this bill, Mr. President.

"As the previous speaker spoke, you know we like those people that are bigger and heavier so that they can be on the UH football team. But this bill does not address them – it's 60 pounds and below. So if they're 80 pounds and above, they're okay to ride without a booster seat.

"Some of us sometimes listen to the news and fortunately we had a newscast the other day about four parents who were having their children put into booster seats and all four of them had positive remarks about this bill. So if we're going to do the people's business and we are concerned about safety, KIPC has said this is important to them because it's a safety item.

"So I urge all my colleagues to vote 'aye.' We even took out the pickup truck provision in this bill. So, for those who were concerned about that, we listened to you and we addressed that in Conference.

"Thank you."

Senator Kim rose to speak against the measure and stated:

"Mr. President, I rise to speak in opposition of this measure.

"I want it to be known that I support keeping our children safe. As a mother it was very important that my child, when he was small, that we put him in a car seat and a booster seat.

"However, I believe that this measure goes too far. I believe that this is a hardship or will be a hardship on many families, especially those who have more than two children. It will also be a hardship on those who carpool, trying to take kids to and from games, to and from school. We're trying to encourage people to carpool, and with this I think it's going to be very difficult for other families to be able to pick up children and not have these booster seats.

"I think we need to rethink this. Perhaps the age needs to be changed so that we can make sure that our children are kept safe. I want to commend those parents who are putting their kids in booster seats. They don't need a law to do this. The smart ones will do it and if they're able to do it.

"For those reasons, I'll be voting 'no.' Thank you."

Senator Slom rose to speak in opposition as follows:

"Mr. President, I, too, rise in opposition to this bill.

"As the good Senator just said, you don't have to force people to do what is right. Those of us that are parents and have taken care of our children, and other children as well, will always look for safety number one.

"You know, first we required seat belts for all children, and then we required airbags and then we found out that airbags kill children, then we found out that the seat belts don't work. Now we're talking about the child booster seats up till age eight or up to 80 pounds, and whose scale are we going to use, and who's going to measure the 80 pounds. I think we discriminated against those that are more sturdy children and likely to be linebackers than those that are in the backfield.

"Taking a cue from Senator Matsunaga, I am very concerned that ultimately what we're going to do is we're all going to have to carry our car seats around with us regardless of age, weight, color, sexual orientation, or condition. I think it's time that if we want to talk about the kids and we want to talk about the parents in our community, we stop passing legislation that raises their taxes and their expenditures and help them that way, and then we'll all be healthier.

"Thank you, Mr. President."

Senator Chumbley rose to speak in opposition and said:

"Mr. President, I rise to speak in opposition to this measure.

"Colleagues, while I don't have the same kinds of props that my good friend in front of me does, I do have a little bit of humor for you. Some of you have told me that I've been acting like a juvenile this year but you haven't told me how old I am. Therefore, I'm concerned that you're going to now ask me to put a booster seat in my chair here on the Floor.

"I think the good Senator from Kalihi hit it on the head – this is a parental responsibility issue. This is not for government to tell parents what to do. The good Senator from Waipahu was talking about the parents on TV who were applauding about those who put their children in booster seats. They don't need this law to do it. They're already doing it. This is parental responsibility. This is not for government to decide.

"I urge you to vote 'no.'"

The motion was put by the Chair and carried, Conf. Com. Rep. No. 68 was adopted and H.B. No. 135, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO

CHILD PASSENGER SAFETY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 13. Noes, 12 (Chumbley, English, Hemmings, Hogue, Ige, Ihara, Inouye, Kim, Matsunaga, Matsuura, Menor, Slom).

Conf. Com. Rep. No. 70 (H.B. No. 1685, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Fukunaga and carried, Conf. Com. Rep. No. 70 was adopted and H.B. No. 1685, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 75 (H.B. No. 1668, H.D. 1, S.D. 1, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 75 be adopted and H.B. No. 1668, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Nakata.

Senator Hemmings rose to speak against the measure as follows:

"Mr. President, I rise to speak against this legislation.

"Mr. President and colleagues, this is exactly what's wrong with the public education system – we're fixing the problem from the back end. We should be providing every incentive possible for new teachers to come into the system, not rehiring retired teachers who will be collecting retirement while also simultaneously, in many cases, be collecting inflated salaries to do a job that should be given to someone coming out of college and into the teaching profession. This does not solve the problem over the long term and it only delays it further.

"Hence it is legislation that adds to the problem, not solves it. Thank you, Mr. President.

Senator Sakamoto rose to support the measure and stated:

"Mr. President, I rise in support of the measure.

"In response to the previous speaker's comments, Mr. President, this bill does not hire the teachers. This bill makes it permissive for the department to hire teachers that have been retired two years. In light of the shortage, Mr. President, in light of those who read the newspaper talking about our department needing 1,400 teachers this year, and in light of the fact that our local school system puts out less than half of that, we need teachers wherever we can find them at this point in time, Mr. President.

"If retired teachers have retired out of our system and may be working as a teacher somewhere else or taking care of the keiki at home, and if indeed they're a qualified and excellent teacher, Mr. President, we're equipping the department with an ability to hire teachers without the barrier of them having previously retired from our system."

Senator Hemmings rose in rebuttal and said:

"Mr. President, I rise on a point of rebuttal.

"In response to the designated hitter, the good Senator from Moanalua, I don't want to get into semantic jousting about this. This bill does exactly what I spoke about. It rehires retired teachers.

"If the Majority Party and the good Chairman of the Education Committee wanted to really address the problem with the teacher shortage, what they'd do is solve Hawaii's economic problems so young people could afford to live in Hawaii, not go to the mainland and go to college and then stay on the mainland because they cannot afford to come home. What we'd do is we'd provide more economic incentives in the teaching profession to make it rewarding to be a teacher in Hawaii.

"I stand by my comments. They're exactly right. We're trying to pull teachers out of retirement at the end of their career rather than providing incentives for young people to come in and build for a future by providing a healthy economy where young people can work and thrive. Too many of our children and grandchildren are living on the mainland because they can't afford to work here. In the meantime, the State of Hawaii is going to rehire retired teachers to collect twice for a job that should be done by a young person.

"Thank you, Mr. President."

Senators Hogue, Slom and Ige then requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 75 was adopted and H.B. No. 1668, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REHIRING RETIRED TEACHERS IN THE DEPARTMENT OF EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 1 (Hemmings). Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 77 (H.B. No. 1211, H.D. 1, S.D. 1, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 77 be adopted and H.B. No. 1211, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Buen.

Senator Slom rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill.

"This bill tries to do several things, most of which I think are very positive in dealing with certain kinds of firearms and electric guns. However, there's one major stumbling block and for me that's enough to vote 'no' and that has to do with constitutional infringement on privacy.

"As has been testified by the Hawaii Medical Association and others, the acquisition of medical records by county police departments may afford many opportunities for that breach of confidentiality of these records. A breach of medical privacy can have far-reaching implications and obtaining these records can force a severe obligation on the police departments to make sure that privacy is handled properly.

"Medical records which are part of this would contain information dealing with marital problems, sexual orientation, HIV status, and other considerations all of which could be construed as affecting mental stability. There's no certainty in

here that the police departments are taking adequate steps to take care and protect that privacy.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 77 was adopted and H.B. No. 1211, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 2 (Hemmings, Slom). Excused, 3 (Fukunaga, Ige, Ihara).

Conf. Com. Rep. No. 80 (H.B. No. 600, H.D. 1, S.D. 1, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 80 be adopted and H.B. No. 600, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kanno.

Senator Hogue rose in opposition to the measure and stated:

"Mr. President, I rise to speak in opposition to this bill.

"As you probably have noted, this bill is monstrously thick. As a matter of fact, it is over 140 pages. I don't know how many of you actually sat down and went through it page by page, but as you do so, you may have noted that there is a huge section here about fee increases. It's the worst part of this bill.

"DCCA says they're only trying to simplify their fee structure. I'm not sure it's a total coincident, but when they talk about simplifying, in the end they get more revenues. We found 23 separate fee increases buried throughout this bill - higher fees for: general partnerships, limited liability partnerships, foreign LLPs, special handling of certificates, making certified copies of documents, affixing seals, notarizing certificates, making statements of change, good standing certificates, whatever those things are. The list goes on and on. Yes, DCCA did drop some fees along the way, but they admitted the net effect is more money for them.

"Fee increases like this are part of the reason why business is not flourishing here in the State of Hawaii, and it's the biggest reason why I'm voting against this bill.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 80 was adopted and H.B. No. 600, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 3 (Hemmings, Hogue, Slom). Excused, 3 (Fukunaga, Ige, Ihara).

Conf. Com. Rep. No. 85 (H.B. No. 271, H.D. 1, S.D. 1, C.D. 1):

Senator Kawamoto moved that Conf. Com. Rep. No. 85 be adopted and H.B. No. 271, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Menor.

Senators Kim and Taniguchi requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 85 was adopted and H.B. No. 271, H.D. 1, S.D. 1,

C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 6 (Chumbley, English, Hogue, Ige, Ihara, Matsunaga).

Conf. Com. Rep. No. 87 (H.B. No. 469, H.D. 2, S.D. 1, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 87 be adopted and H.B. No. 469, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Nakata.

Senator Hogue rose in support of the measure with reservations and stated:

"Mr. President, I rise to speak in support of this bill with reservations.

"First of all, I want to say that this bill is actually the step in the right direction because it recognizes that principals are essentially managers of their respective schools. It recognizes that principals need vice principals with managerial or administrative experience, even if that experience is outside the education system.

"However, Mr. President, there are a couple of flaws. First it requires all principals to have at least three years experience in the classroom. That's down from the current law of five years experience. Now, I understand that principals need to know what's going on in the classroom, however, I don't believe that managerial experience is necessarily tied to skills acquired in the classroom. For example, if I can use the world of sports, there are a number of stories about great coaches or managers who never played the game.

"The second flaw is a bigger one. As you know, we are facing a potential shortage of principals here in the very near future. In fact, many might be retiring. Thus we need more vice principals to train in the system. This allows VP candidates to be hired with appropriate managerial or administrative experiences. Now that's a good idea but there is really a 'catch-22' here. Once they're in, under this bill they can't be promoted to principal because they don't have the required three years in the classroom.

"For these reasons, I'll be voting with reservations. Thank you."

Senator Hemmings then requested his vote be cast "aye, with reservations," and the Chair so ordered.

Senator Sakamoto rose to speak in support of the measure and said:

"Mr. President, I rise in support of H.B. No. 469.

"Mr. President, the purpose of this measure is to provide the Department of Education more flexibility in hiring principals and vice principals. It no longer requires principals and vice principals to serve as a teacher for no less than five years. As mentioned, it requires principals to have served five years in appropriate school level experience, three of which must have been as a teacher. It requires vice principals to have appropriate school level experience as determined by the department, and allows the department to waive certification and experience requirements on a case-by-case basis.

"Mr. President, this measure does provide extraordinary and unusual flexibility in the hiring of principals and vice principals to the Department of Education. However, we're facing a critical shortage in these extraordinary times, and because of the shortage of school administrators as pointed out by the Senator from Kaneohe, we feel that situations will become more acute in the immediate future because of the retirements and turnover of personnel.

"Mr. President, being a public school principal today is one of the most challenging, complex, and difficult jobs in America. An effective principal must not only be an educator, but also be among other things, a business manager, community leader, disciplinarian, facilities manager, special education expert, and above all, a skilled facilitator able to conduct with vocal and conflicting demands of students, teachers, parents, bureaucrats and everyday critics. In addition, principals are facing litigation. It's no wonder that we're having increased difficulty in finding well-qualified candidates and at the same time finding increasing short tenures for those who do become principals.

"Mr. President, the flexibility proposed will enable the department to have management tools for recruitment of school administrators because of their experience, skills, and characteristics that would make them more successful school leaders. It is not meant to denigrate the value of prior teaching experience for administrators, but rather a recognition that because of today's complex nature of the job, candidates should not be limited to those coming from the ranks of classroom teachers.

"The hope, as previously commented, in the future is that if some of these vice principal candidates are brought into the system and are successful, future legislators may indeed look at changing these requirements in the future. But at this time, Mr. President, we feel this is a big step forward to enable the department, again, to have more tools to address our school system as it exists today."

Senator Slom then requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 87 was adopted and H.B. No. 469, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL PERSONNEL," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Ige).

At 11:45 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:00 o'clock noon.

Conf. Com. Rep. No. 89 (H.B. No. 526, H.D. 1, S.D. 1, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 89 be adopted and H.B. No. 526, H.D. 1, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Slom rose in opposition to the measure and stated:

"Mr. President, I rise to speak in opposition to this bill.

"First of all, let me say that I am absolutely supportive of very strong child support enforcement laws and administration. I think, however though, that when we look at agencies of government, the Child Support Enforcement Agency has done a

terrible job in the past. People that have made payments correctly were not credited with those payments. Single moms did not get payments either in a timely manner or at all, in some cases.

"Now what this bill would do is to allow them to skirt judicial review to, on their own, issue liens and other court documents that should be reserved for the judiciary and which is not. It's giving them a great deal of power without them having demonstrated that they have the responsibility or the accountability.

"So as I say, I'm firmly supportive of enforcement. I think, in fact, we've lost much money for both the State and for individuals who are deserving of it. I want to see this agency do a better job before we think about giving them any additional power.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 89 was adopted and H.B. No. 526, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Hogue, Slom). Excused, 1 (Fukunaga).

At 12:02 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:57 o'clock p.m.

Conf. Com. Rep. No. 91 (H.B. No. 201, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 91 was adopted and H.B. No. 201, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRIVACY OF HEALTH CARE INFORMATION ACT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 93 (H.B. No. 1234, H.D. 1, S.D. 2, C.D. 1):

Senator Matsuura moved that Conf. Com. Rep. No. 93 be adopted and H.B. No. 1234, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senators Hogue, Hemmings and Slom requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 93 was adopted and H.B. No. 1234, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO QUEST," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 107 (H.B. No. 175, H.D. 2, S.D. 2, C.D. 1):

Senator Tam moved that Conf. Com. Rep. No. 107 be adopted and H.B. No. 175, H.D. 2, S.D. 2, C.D. 1, having been

read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Tam rose to support the measure and remarked:

"Mr. President, I rise to speak in support of H.B. No. 175, C.D. 1.

"In previous Sessions, the Legislature offered a package of incentives to encourage continued growth and development of high technology industries in Hawaii. This has helped position Hawaii for the new economy. Now it is time to clearly announce that Hawaii is a tech-friendly place to do business.

"H.B. No. 175, C.D. 1, moves to add further tax incentives for the high technology industry with the following incentives:

1. Technology infrastructure renovation tax credit;
2. Exemption for public Internet data centers;
3. Exemption for the sale of net operating loss by qualified high technology business;
4. Royalties derived from patents, copyrights, or trade secrets excluded from gross income;
5. Stock options from qualified high technology businesses excluded from taxation;
6. High technology business investment tax credit; and
7. Tax credits for research activities.

"This is a bill whereby the private sector and government work together. Thank you."

Senator Slom rose in support of the measure with reservations and stated:

"Mr. President, I rise to speak in favor of the bill with reservations.

"It is certainly true that the Legislature in 1999 and 2000 passed landmark legislation to help spur on high technology. It is also true, however, that high technology still represents less than 3 percent of our State's economy. Many of the businesses that are still struggling in our State do not get the benefit of tax exemptions, tax credits, carryover of their losses, fast tracking, or any of the other major inclusions in the bills over the last three years, including this one.

"There also is a problem, I think, with this bill in that providing additional favorable tax treatment in conjunction with the capitalization benefits and the sale of these carryover losses is highly speculative in terms of what we've seen in the last year with technology in general, both nationally and locally.

"In addition to that, I call your attention to page 9, lines 1 to 7. The language seems vague and confusing and may be interpreted that the State rather than the federal government is determining that the internal revenue code does not apply to expenses related to royalties.

"So I think it's a good idea that we help this industry. I would like us to help additional industries as well. Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 107 was adopted and H.B. No. 175, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 115 (H.B. No. 462, H.D. 1, S.D. 2, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 115 be adopted and H.B. No. 462, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 115 was adopted and H.B. No. 462, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ARBITRATION ACT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 128 (S.B. No. 1113, H.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Menor and carried, Conf. Com. Rep. No. 128 was adopted and S.B. No. 1113, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 129 (S.B. No. 755, S.D. 2, H.D. 1, C.D. 1):

Senator Kawamoto moved that Conf. Com. Rep. No. 129 be adopted and S.B. No. 755, S.D. 2, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Kawamoto rose to speak in favor of the measure and stated:

"Mr. President, I rise to speak in favor of this bill.

"Mr. President, for those of you on the neighbor islands and for those of us who have piers and harbors in our districts, we urge you all to vote 'aye' on this bill because this is the only way in which we're going to get some of these things done. Our special funds are about \$30 million a year and it can go only so far. We have a backlog of about \$66 million worth of harbor improvements and we need this opportunity – a way in which we can get some of these improvements done.

"Basically, we're again calling for \$2 million of capital advancement to be made by the private sector and be paid back by fees owed to the State at future dates.

"This bill had some problems with the Attorney General's Office. We tried to fix this and we fixed as much as we could with the Attorney General's Office. The concern was the fact that because a fee is not going into the special fund, there's some concerns from budget and finance about bond ratings.

"The game plan on this bill is that it may be taking out some special funds a little at a time every year, but our game plan is to address the up and coming economic capability of our wharves and piers, and that is the cruise ships. We've seen in the horizon many, many cruise ships coming in – not double or triple, but ten times the amount of cruise ships that are presently coming in.

"So we hope this special fund will grow not only \$30 million, but someday it could be \$60 million or someday it

could be \$90 million, and the problem with fixing the harbors and piers would not be a problem as far as the physical concern being there.

"We're asking you to send a message to the Governor that this bill is a bipartisan bill, a concern of the economy, a concern of the harbors on the neighbor islands and also in our area in Honolulu that we need some way to fix the piers or some of these foreign ships may sail away and not have the opportunity to see the islands of Hawaii.

"So I urge you all to vote 'aye' on this bill. Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 129 was adopted and S.B. No. 755, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 130 (S.B. No. 1060, S.D. 1, H.D. 2, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 130 be adopted and S.B. No. 1060, S.D. 1, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chumbley.

Senator Hogue rose in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this bill.

"I spoke earlier about DCCA wanting to raise some fees. Well, they're at it again in this bill. In this bill, if the DCCA decides to audit a realtor's escrow depositories, they'll force the realtor to cough up \$40 an hour per examiner, plus travel expenses, per diem, mileage, and all other reasonable, and perhaps unreasonable, expenses as well.

"This isn't a service that the realtors are clamoring for. Just ask yourself this question – If the IRS were going to audit you, would you give them the privilege of also foisting a fee upon you? I don't think so.

"The DCCA is supposed to be self-sufficient, but why do they always appear as if they are giving themselves a raise?

"I'll be voting 'no.' Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 130 was adopted and S.B. No. 1060, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 131 (S.B. No. 1068, S.D. 1, H.D. 2, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 131 be adopted and S.B. No. 1068, S.D. 1, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kim.

Senators Slom, Hemmings and Hogue requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 131 was adopted and S.B. No. 1068, S.D. 1, H.D. 2,

C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCER LICENSING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 135 (S.B. No. 654, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 135 was adopted and S.B. No. 654, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 136 (S.B. No. 41, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Inouye, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 136 was adopted and S.B. No. 41, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONSERVATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 139 (S.B. No. 1046, S.D. 1, H.D. 1, C.D. 1):

Senator Hanabusa moved that Conf. Com. Rep. No. 139 be adopted and S.B. No. 1046, S.D. 1, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Nakata.

Senators Taniguchi and Matsunaga requested their votes be cast "aye, with reservations," and the Chair so ordered.

Senator Menor rose for a conflict ruling as follows:

"Mr. President, before you officially record a 'no' vote on this measure together with other measures pertaining to the public employees' health fund, I wanted a ruling in regards to a potential conflict. My wife is a public school teacher and both she and my family are covered under a union health plan."

The President ruled that Senator Menor was not in conflict.

Senator Chun also rose for a conflict ruling and stated:

"Mr. President, I also would like to ask for a ruling on a conflict. I am a member of a union health plan."

The President ruled that Senator Chun was not in conflict.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 139 was adopted and S.B. No. 1046, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Kanno, Kawamoto, Menor).

Conf. Com. Rep. No. 148 (S.B. No. 1144, S.D. 2, H.D. 2, C.D. 1):

Senator Nakata moved that Conf. Com. Rep. No. 148 be adopted and S.B. No. 1144, S.D. 2, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Sakamoto rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to this measure.

"Mr. President, no amount of wishful thinking or compassion by this Legislature will change the basic laws of supply and demand. If we raise the minimum wage, the laws of supply and demand indicate that employers are forced to pay an inflated wage or higher wage and will reduce the demand for inexperienced and unskilled workers. That will result in higher unemployment of the very people we are trying to help.

"This is not just the rhetoric of small business . . . I'm a small businessperson. Noted economists and Federal Reserve Chairman Alan Greenspan have stated that that is an economic reality. Past experience around the nation shows us that while the minimum wage increase does lift some families out of poverty, it inevitably pushes more families into poverty.

"So if we raise the minimum wage, we will force the 90 percent or so of small employers in Hawaii to control costs possibly by eliminating jobs, possibly displacing lower skilled workers for more productive workers, and possibly shaving work schedules.

"We cannot legislate wealth. We cannot force Hawaii's employers to higher wages. This measure will do more harm than good in the long run, Mr. President.

"This measure also doesn't address the tip credit. Many of the minimum wage workers work for restaurants. My son works for a restaurant. I go and check his counter and his paychecks are sitting on the counter. Why? Because it's not the minimum wage, he's got the tips . . . dollars in his pocket. Restaurateurs have come before us saying, 'Yes, there are many minimum wage earners that don't pick up their paychecks because their tips are so high.' We needed to have addressed the tip credit not by 25 cents, but a higher amount. If we do something, let's do it right.

"We can't legislate doing things like this to help us. We talk about inflation. We talk about Hawaii's cost of living. We, as government, raise the minimum wage of \$5.25 to \$5.75. Now what does that do to the worker who is currently earning \$5.75? Do we then push him or her up to \$6.25? And what does that do with the worker who's earning \$6.25? Do we push him or her up to \$6.75? And so on, and so forth . . . \$10.75 to \$11.25; \$14.25 to \$14.75. Who's generating a cost of living increase and who's generating inflation?

"Measures like this, without commensurate increase in productivity, are pushing everybody's wages up and it's not the correct way to do it. Employers gladly pay more for workers and gladly pay more for the skills produced."

Senator Nakata rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this bill.

"There are reasons for doing this – reasons of compassion. The minimum wage has not been raised now for eight years. The buying power of that wage has been reduced significantly.

"Welfare reform is coming to a critical point later in this year . . . the five year point when those who have been on welfare for that long will be dropped off those roles. There are many that already have gone off the roles. This measure is intended to help such persons and such families, because there are family wage earners who earn the minimum wage.

"Many in business admit that the time has come for a minimum wage increase. Reports vary as to the impacts of the minimum wage on the economy, but the erosion of the buying power is something that we need to address.

"This is a measure that also helps at a time when social programming has been cut back. We need to give hope to people who are on such assistance or who have been cut off.

"For that reason, I urge my colleagues to support this bill. Thank you."

Senator Hemmings rose to speak against the measure and stated:

"Mr. President, I rise to speak against this legislation.

"With all due respect for the Senator from Kahaluu, this has nothing to do with compassion, in fact, just the opposite. This is going to probably cut entry-level jobs for the people that need them the most. This is probably going to eliminate training jobs for the people that want to enter into an occupation and build a career.

"This is certainly going to hurt the restaurant industry. I'm a consultant for a restaurant that has been struggling fiscally for a number of years right now. The tip credit proviso in this bill is almost insulting. It's subtle and meaningless. It's going to hurt the restaurant industry.

"I hear often about compassion and it's amazing how different people have a different perspective on life. I would think if we really wanted to be compassionate for the truly needy in our society – the sick, the hungry, and the infirmed – we wouldn't charge them tax for being that.

"Thank you, Mr. President."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 148 was adopted and S.B. No. 1144, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 5 (Hemmings, Hogue, Kim, Sakamoto, Slom).

Conf. Com. Rep. No. 155 (H.B. No. 407, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 155 was adopted and H.B. No. 407, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Hogue).

Conf. Com. Rep. No. 157 (H.B. No. 946, S.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 157 be adopted and H.B. No. 946, S.D. 2, C.D. 1, having been read

throughout, pass Final Reading, seconded by Senator Kawamoto.

Senator Chumbley rose in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this measure.

"Members, this is not the way to address some of the issues that are concerning the Board of Education, the Department of Education, and the public in general about charter schools. While I do acknowledge that the Chair of the Committee has put forth a good-faith effort, I feel that this bill, as drafted, falls significantly short and in fact leaves out opportunities for charter schools to continue.

"Under this bill, if a detailed implementation plan is submitted by a group seeking a charter, and for whatever reason it's tuned down twice because they want them to go back and amend it to make some changes to it, that group would never again have the opportunity to submit for a charter. This is a 'two strikes and you're out' component.

"In addition, preference is given to existing schools and public school programs, as opposed to some of the conversions or some of the start-up programs. If you look at what's happened in the charter movement, the majority of them are start-ups, particularly on the Big Island and those on Maui. The two main schools that have followed the charter program were conversions, so why should they have a preference? Maybe they do have facilities, maybe they do have things in place already, and I give them credit for that, but what's wrong with a start-up?

"The next component is that it could eliminate the small school subsidy, which is very important. Now, the language in the bill is permissive – 'it may eliminate it' versus 'it shall provide it.' So there's a chance that they'll lose that.

"Next, it creates a new review panel. This is what I find to be the most troublesome because I think it's another obscure process that will take away from the initiatives in our community and those groups that really want to work outside of the bureaucracy of the Department of Education. This review panel will be made up of seven people. Five of the seven people are associated with the department or the board. It has four board members and the superintendent or his or her designee. So that's five people who are already, under the existing law, involved in the review of those charters. The bill does allow for two people who are part of the charter school process to be involved in that. That was the token given to them in their hopes of getting more insight over the process.

"This review panel simply makes a recommendation to the Board of Education which already has, under existing statute, the power to make those decisions. So why do we need to go through another convoluted process?

"It appears that this bill has everything that the Board of Education wants, which has shown its cards in opposition to issuing implementation plans for charter schools and nothing for communities or those who want to start up a charter school.

"I urge you to think hard about this, because this clearly is moving in the wrong direction and I would suspect that this is a prime bill for veto by the Governor.

"Thank you."

Senator Hogue also rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to this bill as well.

"This legislation is a direct threat to Hawaii's charter schools and is also clearly undermining the fundamental principles by which the charter schools were founded in this public education system.

"First, if a detailed implementation plan by a group seeking a charter is turned down twice, the group will never again be considered a charter. Also, preference is given to existing public schools and public school programs. Thus, these two areas are extremely dangerous as they are directed against those trying to implement significant systemic change.

"I urge you to vote 'no.' This is a bad bill. Thank you."

Senator Sakamoto rose to speak in support of the measure and stated:

"Mr. President, I rise in support of the measure.

"H.B. No. 946 seeks to address many of the concerns raised by charter school advocates, the Board of Education, the Department of Education, and concerned citizens.

"Mr. President, your Committees heard extensive testimony from both sides of the issue, met with representatives of stakeholder groups, and at this point, while this measure obviously cannot completely satisfy all parties, we believe it does clarify a number of issues that creates a fairer process for charter schools.

"One of the major concerns of the parties was funding for charter schools. Some felt that the schools were getting too much money to the detriment of regular public schools. Many charter schools felt they were not being fairly funded and that the lack of funding was an effort to destroy charter schools.

"To create clarity and fairness, this measure establishes the charter school per-pupil allocation at the average per-pupil funding for the public schools in this State. It provides for fiscal responsibility and flexibility in allowing, rather than mandating, that a small school subsidy be given to charter schools.

"Charter school applicants also complained that the current process is protracted, an unclear review and approval requirements. Many expressed frustrations that they've been stuck in a process that continues to require re-submittal to address ever-changing concerns. While their charters have not been denied, many felt they have made no real progress toward obtaining a charter over what some say has been a two year period.

"This measure provides a submittal process and a timeline that addresses this problem. It also provides for the denial of an application which will end the never-ending submittal process and allow an appeals process. The appeals process was one of the major requests of the proponents of charter schools.

"Additionally, this measure allows for provisional approval of charter schools. This was necessary to remedy a catch-22 situation where an approval requires evidence that a school has selected a site and most properties are unwilling to execute an agreement without a charter. So, your Committee and your Education Chair has worked to the best of our abilities with the charter school community, the Department of Education, and the Board of Education to address some of these issues.

"On the issue relating to the review panel, some charter school proponents wanted approval only by charter school people. Now, this is a public school. The Board of Education is at the top of that pyramid. We hoped that by adding charter school people in the review process, it would improve the process.

"The comments about two strikes and you're out, that certainly wasn't my intention. I'm not clear where that is in the measure, but if indeed that's what the measure says, that wasn't my intention or at least that wasn't your Chair's intention on two strikes and you're out. Certainly the intention was to make the process more definitive to enable people to move forward.

"On the point about conversion schools, the first two charter schools were existing public schools and it's been shown that conversion schools and existing schools can more successfully become charter schools. I'm in favor of supporting those efforts. Certainly others are in the process. There's no question that they don't need to be conversion schools or existing schools, but I believe many people in our system have felt trapped and as charters being a way out. So that's why that provision is there.

"So Mr. President, on balance, I feel we've worked hard with the House and members of the different constituencies to put provisions in this bill to move matters forward. So I urge members to vote 'aye' on this measure.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 157 was adopted and H.B. No. 946, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 16. Noes, 9 (Chumbley, Chun Oakland, Fukunaga, Hemmings, Hogue, Ige, Ihara, Matsunaga, Slom).

Conf. Com. Rep. No. 159 (S.B. No. 1096, S.D. 1, H.D. 1, C.D. 1):

Senator Hanabusa moved that Conf. Com. Rep. No. 159 be adopted and S.B. No. 1096, S.D. 1, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Nakata.

Senator Nakata rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this bill.

"This is a bill that has historic implications for this State. It has not been an easy bill to bring forward. It has major implications for the way state government does business. What it does is moves us into privatization with the option to the Governor as gatekeeper of going to managed competition. The administration's responsibility is then to develop that process. The third component of it is a return to the right to strike for some of the unions.

"All parts of this are not easy for all of us to work with, but we do have a responsibility to the citizens of this State. There has been a cry for government reform, civil service reform. This is part of the response to that cry.

"I would urge my colleagues to support this bill. I would expect that in the future these issues will still be contentious before us. We need to be open to those who are in opposition to this bill to make adjustments as we go, if they are justified.

"Further comments on the right to strike – the teacher's strike is one of the things that moved me to support the return to the right to strike, something I was very ambivalent about. But the bonding and empowerment that I saw going on on those picket lines encourages me that I think those teachers with that empowerment, with the relationships that were built, because in their work environment they don't get too much of a chance to talk to their colleagues. Their introduction to the political system . . . we saw them all here. I believe that they will be better teachers, better educators, really, for our children, in terms especially of their participation in the governmental processes of this State.

"So again, I would urge you, my colleagues, to support this bill. Thank you."

Senator Slom rose in support of the measure and said:

"Mr. President, I rise in support of this measure.

"I agree with the previous speaker that this is a historic event and juncture in our time but it's taken four years to get here. Ever since the Hawaii Supreme Court decision in Hawaii County v. Konno back in 1997, we were told that we don't have the legislative machinery in place to allow privatization as a tool or an option. Now we have it if we pass this bill.

"Privatization is nothing to be feared. Privatization is not a panacea. Privatization does not work in all cases. But privatization is one of those options, one of those fiscal options that government needs to exercise in order to make existing public employees, existing public agencies and private agencies more responsive, more effective, and more cost responsive to the taxpayers who ultimately pay all of the bills. It is no guarantee that because we have the legislation that people will lose jobs or that there will be a wholesale shift to privatization. But there is a guarantee that at least we will meet the court mandate four years late to allow that option by the state and by counties as well.

"I don't want to see us take a government monopoly and make it a private monopoly. So we've got room to yet improve this legislation but this is an important step and it's going to be beneficial to all of us within Hawaii.

"Thank you."

Senator Hemmings rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this bill.

"This is a breath of fresh air and has been a long time coming. The magic of the marketplace is the hidden hand of a healthy economy. There was once a great economist in the '60s who said, 'we must maintain the consumer as a chief regulator and beneficiary of a free economy by resisting monopolies, both public and private.' You've probably heard it before. Too often in Hawaii, government maintains a public monopoly, thus denying the magic of the competition of the marketplace.

"This is a step in the right direction by returning choice, opportunity and economic development to the marketplace to provide at a better cost and oftentimes better service, products that government should be providing the people of Hawaii. I do want to recognize the good Chairman of the Labor Committee for his open-mindedness on this effort, and I hope that this is just the step – a small step – in the right direction of liberating Hawaii's economy so that really we can achieve our destiny in the twenty-first century.

"Thank you, Mr. President."

Senator Menor rose and said:

"Mr. President, could you have the Clerk record an 'aye vote with reservations' please."

The Chair so ordered.

Senator Chumbley rose in support of the measure with reservations and stated:

"Mr. President, I rise to speak in support of the bill with reservations.

"While I think that the issue of modernization of government services is one that we definitely need to embrace, I'm not as uncomfortable as some of my colleagues may be with the privatization aspect of this bill because it does have a drop dead provision within, I think, six years from this point and I further believe that the managed competition component of this bill is the right thing to do also. As an advocate of that managed competition process, last year we attempted to do a private prison with managed competition. Unfortunately, the Governor did not like the crafting of that bill last year and vetoed it.

"I think what I have my reservations about is the flip-flopping of the right to strike for the binding arbitration process. I believe that as we look at the modernization of government and we look at collective bargaining issues, this does move us forward in trying to establish a little bit of clarity to the bright line process. But I still believe that this process may not be in the interest of the employees or more broadly in the interest of the public because it could result in a disruption of services throughout our community. It's for that reason I have reservations.

"Thank you."

Senator Ige rose with reservations and said:

"Mr. President, I would like to note my reservations as well and ask that the Clerk insert the words from the Senator from Maui as if they were my own."

The Chair so ordered.

Senator Chun rose to speak in favor of the measure and said:

"Mr. President, I rise in favor of the bill.

"Four years ago in 1997, the Supreme Court issued a ruling which really has had lasting impression upon how the government does business here in Hawaii. That decision was known as the Konno decision and basically stopped government from contracting out much needed resources, much needed services. That has caused a huge ripple effect within our government services. It has slowed down services to the public. It has cost the government more money than what it should have and really has created a lot of confusion, Mr. President. Confusion in terms of what could or could not be done under our civil service laws.

"Mr. President, the Committee worked hard and diligently on this bill and they should be commended for their work. It is not a perfect bill. It's a bill that combines many different things, which ideally should have been separated. But, Mr. President, they worked hard jointly with the House, both Democrats and Republicans, and they came up with a bill that answers the

court's question – should government be able to contract out when it is necessary?

"I think the bill provides the necessary protections to make sure that it is not abused, that this right is not abused. It creates a necessary reporting system in terms of requiring the government to come back and say how these contracts were operating, and that is very commendable. In addition, Mr. President, it has a drop-dead clause, which allows the government to take a look at this situation again, if it need be, depending on how the reports come out.

"Mr. President, there are a few things in this bill, which I would agree with the Senator from Maui, that causes me concern, particularly the question about taking out the essential worker provisions. I believe that it has the potential – potential, Mr. President – of having a huge disruptive effect upon the public's health and welfare.

"I believe, Mr. President, the intent of the Committee is well thought of – and that is we want to encourage both parties to negotiate. I think both parties when they take a look at this bill, both employer and the unions, and say 'my goodness, if the only thing we're going to have to do is strike,' with no essential workers to protect the public good, both sides, employer and union, will have some huge incentive to try to sit down and negotiate a fair and equitable settlement. I am concerned, of course, though, if reasonable minds do not prevail in that kind of situation, the public good could be harmed. But I would hope in the future that we have reasonable minds on both sides of the bargaining table.

"On that basis, Mr. President, I do support the bill. Thank you."

Senator English requested his vote be cast "aye, with reservations," and the Chair so ordered.

Senator Matsunaga rose and said:

"Mr. President, please instruct the Clerk to record an 'aye vote with reservations' for the reasons so eloquently stated by the juvenile Senator from Kauai and Maui. Thank you."

The Chair so ordered.

Senator Fukunaga rose and said:

"Mr. President, I'd like to also direct the Clerk to cast a vote with reservations for me, also adopting the words of the Senator from Maui as though they were my own."

The Chair so ordered.

Senator Ihara rose and said:

"Mr. President, reservations for me, noting the imperfections that are referenced by the Senator from Kauai."

The Chair so ordered.

Senator Chun Oakland rose and stated:

"Mr. President, could the Clerk please record an 'aye, with reservations' also for the reasons stated by the Senators from Kauai and Maui."

The Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 159 was adopted and S.B. No. 1096, S.D. 1, H.D. 1,

C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Kanno, Taniguchi).

Conf. Com. Rep. No. 166 (S.B. No. 1460, S.D. 1, H.D. 2, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 166 be adopted and S.B. No. 1460, S.D. 1, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Hemmings rose to speak against the measure and said:

"Mr. President, I rise to speak against this bill.

"Mr. President, if it ain't broke, don't fix it. There's no reason for this bill.

"Thank you."

Senator Slom rose to speak against the measure and said:

"Mr. President, I also rise in opposition to the bill.

"The bill actually adds two additional intermediate appellate court judges for a total of five, at a time when we're talking about taking people out of the judiciary system and putting them through training or rehabilitation and all of that, at a time when we're talking about more arbitration, at a time when we're talking about mediation and alternative dispute resolution, at a time when we're talking about trying to save money.

"What the passage of this bill will do is guarantee that we'll continue to increase the judiciary budget. So at a point in time when we're looking for alternative methods, we should be looking elsewhere and supporting other less costly means.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 166 was adopted and S.B. No. 1460, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERMEDIATE APPELLATE COURT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Hogue, Slom). Excused, 1 (Taniguchi).

Conf. Com. Rep. No. 168 (S.B. No. 204, S.D. 2, H.D. 2, C.D. 1):

Senator Kawamoto moved that Conf. Com. Rep. No. 168 be adopted and S.B. No. 204, S.D. 2, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Buen.

Senator Kawamoto rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this bill.

"Mr. President, this animal quarantine was the number one priority for Admiral Blair. His concern was his troops. Unfortunately, this year we could not provide any general funds and we excused some fees so the credit this year would go from

\$220 to \$175 for the enlisted E-1 to the E-6s. The E-7s to the junior captains would go from \$120 to \$45.

"Hopefully this will help them out a little bit and it won't be the number one moral and welfare problem. Thank you very much."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 168 was adopted and S.B. No. 204, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL QUARANTINE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 169 (H.B. No. 173, H.D. 2, S.D. 2, C.D. 1):

Senator Inouye moved that Conf. Com. Rep. No. 169 be adopted and H.B. No. 173, H.D. 2, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Menor.

Senator Menor rose to speak in favor of the measure and said:

"Mr. President, I rise to briefly speak in favor of this measure.

"Mr. President, when this bill was passed into Conference Committee, as one of the Senate Chairs for the Senate conferees, I made a commitment to you and to the Senate leadership that your conferees would work on the development of a bill that would represent fair and balanced legislation that would also effectively protect our environment. Mr. President, I believe that your conferees have achieved that objective.

"This measure provides a balance between the interest of our consumers with the need to protect our environment. Most importantly, I believe that this bill represents an important piece of legislation from the environmental protection standpoint.

"I'm sure that all of my colleagues would agree that the goals of greater energy self-sufficiency, reducing our State's reliance on imported oil by promoting more renewable energy development, and protecting our environment from global warming are important goals that our State needs to continue aggressively pursuing in the future.

"This bill would move us significantly in achieving those objectives by establishing renewable portfolio standards, which our electric utilities would be encouraged to comply with and to implement in terms of electricity from renewable energy resources. Moreover, the net energy metering provisions of this bill would encourage greater use of renewable energy systems by homeowners and businesses in the future.

"Mr. President, this bill would not have been possible had it not been for the hard work and effort of all of the House and Senate conferees, especially the lead Chair of the Senate Conference Committee, Senator Lorraine Inouye, and the House Chairs, Representatives Hermina Morita and Ken Hiraki. They are responsible for making this, what I consider to be landmark legislation, possible from the environmental standpoint.

"For all of these reasons, I believe that we have a very pro-environment bill, and I urge my colleagues to vote in favor of this particular measure. Thank you."

Senator Inouye rose to support the measure and said:

"Mr. President, I rise in support of this measure. Thank you to my colleague from Mililani and Waipahu. I, too, Mr. President, urge my colleagues to support this measure.

"We've come a long way, Mr. President and colleagues, in setting the stage for Hawaii and being at the cutting edge of renewable energy.

"I'd like to, at this time, have the Clerk read into the Journal the words of my colleague from Mililani as well. I personally would like to thank members of the Water, Land, Energy, and Environment Committee for being supportive and seeing this measure move forward to Conference.

"Again, Mr. President, I urge my colleagues to support this bill. Thank you very much."

Senator English also rose to support the measure and said:

"Mr. President, I rise in support of this measure.

"Mr. President, from my days on the Maui County Council, I've worked very, very hard for clean energy legislation. The net metering portion of this bill is landmark, as is the renewable portfolio standards.

"Mr. President, I think that this gives us a good basis to begin looking at our dependency on fossil fuels for our energy in Hawaii. Many people talk about protection of the environment, but really this is an economic development bill because everything that we do in business depends on clean and reliable, or what they call firm, power, Mr. President. The lights here, the energy that runs the microphones, the energy that runs the computers, we rely on this as a basis of our economy.

"As we move towards clean energy, reliable energy, and firm energy, we will reap the benefits in the return in the form of protected and clean environment and a strong economic environment for our businesses to grow.

"So this is a win-win bill for all sides. It is the jewel in the crown of our environmental legislation and I'm very grateful to the Chairs who moved this forward.

"Thank you, Mr. President.

Senator Hogue rose to speak in support of the measure and said:

"Mr. President, I also rise in support of this particular bill. I think it is a jewel in the crown of this body. However, I wish it was a five-carat diamond instead of a three-carat, if you will.

"I think we made some landmark changes here in regards to net metering. However, I just want to point out one little minor problem and I certainly hope that we can raise these standards. There is a portion of this bill which asks for goals to be set forward by the end of 2003 that we actually reach 7 percent in renewables in the portfolios. Well, we're already at 7½ percent so we'd have to go backwards by 2003. We certainly don't want to do that. We want to go forward.

"So let's give a challenge, if we can, to everybody to actually move forward from this and protect the environment. Thank you, Mr. President."

Senator Hemmings rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this legislation.

"I would like to add my thank you to my Committee Chair, the good Senator from the Big Island, for all the work she's done on this effort.

"I do want to point out to this honorable body and echo the comments offered by the good Senator from Kaneohe that this is a small step and not the big bold step that this State so desperately needs. The facts are that we're as dependent on fossil fuel and crude oil as much as we were in 1974 when we had the terrible fuel crisis with the gas lines.

"The State of Hawaii should veritably be the Petrie dish of experimentation and development of alternate fuel energy. We have solar possibilities that are probably better than any other state in the nation. Our wind capabilities are predominant. Geothermal is a reality.

"We do have a problem and I've talked about this problem in the public sector, but it applies to the private sector too. We have a monopoly. What we have to do is provide the large electric companies, Hawaiian Electric most specifically, with incentives to get on this bandwagon. Because right now, Mr. President, they have huge vested money in burning fossil fuel to generate energy, and these are capital investments. It would be very hard for them to rationalize divesting themselves from that dependency. They're the ones that are dependent on fossil fuel, and they're the ones that have a monopoly, and they're the ones that go to the PUC and get a guaranteed return on investment, therefore they have a tremendous conflict of interest with what we're trying to do here.

"Maybe the next thing we should do is provide incentives for the electric companies to diversify their energy portfolios and expedite this process, because behind the scenes I believe they've been fighting these efforts. They've been successful for 25 years, because we're still dependent. Right now they're building a fossil fuel burning facility on the Big Island and there is an abundance of geothermal energy just waiting to be tapped, plus wind energy and other opportunities.

"So Mr. President, this is a step in the right direction. I'm hoping that next year and the subsequent years we can be a little more bold and find ways to bring the big utility company monopolies to the table in hopes that they can join in this effort to really make some meaningful reform to our over-dependence on fossil fuel.

"Thank you, Mr. President."

Senator Chun rose to speak in favor of the measure and stated:

"Mr. President, I stand in favor of the measure.

"Mr. President, I believe this is a landmark decision. It does begin to recognize the need for the State of Hawaii to stop this dependence on oil.

"Even though I have respect and admit that there are questions in here regarding the standards and questions regarding the failure of the bill to have a mandatory fine, which was a controversial point of the bill this year and last year, I believe this bill takes a step in the right direction. Because, Mr. President, in the long run, it is not only the utility companies and the PUC that have to take a look at this issue. It is an issue of land use. It is an issue of landowners wanting or allowing these kinds of renewable energy systems to be placed on their land.

"A good example, Mr. President, is on Kauai. Kauai Electric/Citizens' Utility has entered into a contract to purchase eight megawatts of wind power from a private producer of renewable energy. The problem is that this contractor is not able to get the proper permits and has not been able to get the landowner to allow him to put his windows there, and that project has been stalled. To have the PUC penalize a utility for failures that are entirely out of their hands would be unfair. But at the same time, setting standards so that everybody knows where our targets are going to be and where we need to move is a good idea. I would encourage the Senate and the House to continue to work towards this direction.

"I applaud the Chairs of the Committee on Water, Land, Energy, and Environment and the Committee on Commerce, Consumer Protection and Housing for working so hard and diligently in ensuring that a bill comes out.

"Thank you, Mr. President."

Senator Ihara rose in support of the measure with reservations and stated:

"Mr. President, I rise to speak in support of this bill with serious reservations.

"Mr. President, I acknowledge the good work of our Chairs, including the Chair of our Committee on Commerce, Consumer Protection and Housing, for doing a good job on the good part of the bill which allows net metering for .5 percent of peak utility demand. However, the second part of the bill deals with renewable portfolio goals that do little or nothing to further Hawaii's energy goals of reliability and energy self-sufficiency.

"I guess what I'm doing is smudging the jewel a bit in hopes that it will be polished next Session. This morning's Advertiser noted that on this bill it said that the bill would require local electric utilities to gradually increase the percentage of power they draw from renewable sources. This statement is incorrect – it's no requirement, but this bill does set voluntary goals.

"The Department of Business and Economic Development did a study and said that a 10.5 percent renewable energy mandate by the year 2010 would result in hundreds of millions of dollars saved in the next 20 years even if the price of oil drops. This bill contains a strong wish for not 10.5 percent, but half way to that goal.

"For these reasons, Mr. President, I have serious reservations about this bill and I hope that we'll cure it next Session."

Senator Slom rose in support of the measure with reservations and stated:

"Mr. President, I rise in support of the measure with reservations. I don't know how serious my reservations are in comparison to the good Senator from Kaimuki, but I just want to make a couple of points.

"First of all, the word mandate keeps coming up and for several years now we've debated this measure or like measures. The whole idea and the proponents would like us to have mandates. They want to require, force the energy companies to produce the kinds of alternatives in the ratios and percentages that they have deemed to be the correct percentages. That leads to a problem, because most of these folks are not in the business, they don't produce anything themselves, and it's kind of interesting for us to sit around in meeting rooms and determine what other people should do without taking the risk or reaching in our own pockets and making the investment.

"The example of wind energy was brought up by the good Senator from Kauai and the problems with permitting and regulations. That's a government function. We haven't solved that problem.

"My colleague from Kailua has mentioned geothermal, and it is certainly true that we've got untapped resources of geothermal, but look what's happened over the history of geothermal energy on the Big Island. It has been met with court challenges, protests, and prohibitions about trying to use geothermal.

"Solar – we passed a bill last year to have a pilot project for schools to have solar panels. You would think that schools and institutional governmental buildings would take the lead if everybody is in favor of renewable energy. The bill passed, the Governor vetoed the bill, and in the veto message he said the reason he's vetoing it is because in examining what the costs would be, the cost alternative for solar was too great and would be hampering the educational budget.

"So we've got things that we have to look at. The energy companies are already involved in alternative energy, maybe not fast enough for most of us, maybe not in the right direction for some of us, but the fact of the matter is that they are responding to the market and they're making changes.

"If you really want to have alternative energy, however, there's something that's not in this bill. It's something that's not being discussed – and that is to provide additional incentives for those people that think they have the ideas and are willing to take the risks. The way you do that is deregulation. You don't allow the monopoly to continue, you encourage other energy sources to start, you make it voluntary, and you provide incentives – you don't keep mandating, and forcing, and making things compulsory in this State.

"Thank you."

Senator Chun Oakland rose in support of the measure and said:

"Mr. President, I stand in support of this measure.

"I also wanted to add my congratulations to the Chair of the Committee on Water, Land, Energy, and Environment and thank also the Chair of the Committee on Commerce, Consumer Protection and Housing.

"I really look forward to the work that we can do during the interim and next Session to further this effort along. Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 169 was adopted and H.B. No. 173, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY RESOURCES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 170 (H.B. No. 1586, H.D. 1, S.D. 2, C.D. 1):

Senator Nakata moved that Conf. Com. Rep. No. 170 be adopted and H.B. No. 1586, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom rose to speak in opposition and said:

"Mr. President, I rise in opposition to this bill. It seems like I've spoken against this bill about twelve times so far during this Session. It keeps coming back.

"This bill would allow additional unemployment compensation benefits to one group of employees from one business on one island – the beautiful Garden Island of Kauai. It is for the displaced sugar workers who have already received unemployment compensation benefits and who have already received training from our taxpayer-supported sources.

"The interesting thing about this bill is that even the Department of Labor testified in opposition to granting this extension. Originally, the extension sought was 12 months. The later draft and the final conference draft make it six months, but it's bad precedent to change the law for just one group of employees, for one company, in one circumstance.

"If we want to extend unemployment compensation benefits, then let's be honest and let's talk about extending it for all those on unemployment compensation.

"Thank you."

Senator Chun rose to speak in favor of the measure and said:

"Mr. President, I rise in favor of the measure.

"Mr. President, the closing of a sugar plantation, in fact the closing of an entire industry is not an easy thing for us to see. It started back in the '70s, is continuing today, and will continue for another few more years. Luckily, we still have a few more sugar plantations left on these islands.

"However, like I said, it is not an easy thing. It is not a precedent-setting matter. We have done similar measures when other sugar plantations have closed.

"Mr. President, retraining employees to do another job is not an easy task. It's made even more difficult by the fact of the isolation of the workers on Kauai. Most of the training programs that are available are here on Oahu. So what is a person to do? For them to qualify for training, to qualify for extended benefits, they'll have to spend their own money and fly to Oahu for that training. Mr. President, that's the catch-22 that the sugar workers on Kauai were faced with.

"Mr. President, it is true that the Department of Labor and Industrial Relations did oppose the bill, but their opposition was mostly focused on the fact that the bill, as originally drafted, did not adequately address the training requirements as contained not in the state law but also in the federal law. This conference draft addressed those concerns, and we made that an express part of receiving additional benefits – that they have to actually be attending training.

"Mr. President, it is a difficult thing to have a sugar plantation close. It is a difficult thing to see hundreds of workers lose their jobs and their dependents and their children. It is a difficult thing for us to look out and to see whether or not we have enough jobs out there, but Mr. President, it is the responsibility of government to try to ease that kind of situation.

"Mr. President, we're going to have another bill out there today that addresses the situation in terms of wanting to make things better to hopefully avoid this kind of situation so that another family does not have to go through unemployment because of a sugar plantation closing . . . another family doesn't

have to go through looking for jobs. That is the bill that we're going to be talking about after this one. I'll be addressing those concerns by the Honorable Senators of the Minority Party if they have any.

"Mr. President, this is a good bill. It is not precedent setting. We have done it before. It is much needed, and I ask all my colleagues to support it.

"Thank you."

Senator Slom rose again and stated:

"Mr. President, just a quick point of information and rebuttal just so there is no confusion.

"Unemployment compensation is not a gift to the government. Unemployment compensation is a tax. It is paid for by employers, not by employees. If in fact the business has gone out of business and does not have anymore unemployment compensation in its account, then the unemployment compensation benefits and the taxes come from other businesses who are then forced to pay for those workers.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 170 was adopted and H.B. No. 1586, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Hogue, Slom). Excused, 1 (Fukunaga).

S.B. No. 28, H.D. 1:

Senator Nakata moved that S.B. No. 28, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom rose to speak in opposition to the measure and said:

"Mr. President, I rise in opposition to the bill.

"I oppose this bill because the current law requires that any business that is going to have a partial closing or relocation must give 45 days notice to its employees and to the public. This is already a burden because what happens is, if there are problems and the business is not certain as to what its course of action may be and what its options are, under the state law it is required to give that notice, which may give undue burdens to the very employees that the business is trying to protect. It certainly will give problems to the vendors and the creditors that are holding notes from that business as it struggles to try to right itself.

"In this State which led the nation for three years in a row in bankruptcies and business failures, we should be doing everything possible to try to lift that burden rather than to add to the burden. Again, this is a bill in which the Department of Labor, which is charged with the responsibility of carrying out the aspects of the legislation, was opposed to and testified in opposition to the bill.

"It's a bad bill. It should be defeated. Thank you."

Senator Chun rose to support the measure as follows:

"Mr. President, I stand in support of the measure. I always enjoy speaking after the Honorable Senator from Hawaii Kai because it's always age before beauty. (Laughter.)

"Mr. President, the bottom line of this bill is that it requires employers of 55 employees or more to notify the government of their intent to close. Why is this such an important matter to me? Because, Mr. President, we have seen the impact of a failure to have adequate time to notify the government that we have a substantial number of employees that are going to hit the unemployment market.

"Mr. President, to have families go through this kind of situation as we had with AmFac and still be trying to get training out there is not in the best interest of the State.

"Mr. President, the point of this bill really is that by increasing the amount of time government has to set up training programs to look for jobs for people and basically to encourage other private sectors to hire people who will be displaced upon the closing of a plant, it will limit the amount of money the employers need to pay in unemployment. We've heard arguments before on the previous bill that, hey, this is a tax and this is a cost to the employers. Mr. President, bills like this will help to reduce that because the faster we can find training programs and the faster we can find jobs for these people, the less unemployment that they will be drawing from.

"Yes, it might be a burden upon employers, but Mr. President, to be totally honest, employers like AmFac know months, months ahead of time that they will close. For them to hold that decision in secret and to deny the government the ability to look for jobs for these employees to basically formulate training programs for them is unconscionable, Mr. President.

"It's a good bill and I ask all my colleagues to support it. Thank you."

Senator Sakamoto rose to speak in opposition to the measure and stated:

"Mr. President, I rise in opposition to the measure.

"The Senator from Kauai intimated that businesses hold closure as a secret. If you worked for any company, it's no secret when you see a company struggling. It's no secret when you wonder if you're going to get your paycheck on Friday. It's no secret when you find your colleagues getting their last paycheck.

"Companies do not want to close, Mr. President, companies want to stay open. In the previous bill, the discussion I heard was that companies like AmFac hoped to have another season and give their employees the hope for another season. It was no secret that they were in trouble.

"I believe employers want to stay open and fight to the last day to stay open. Every day that you say you'll announce your closure sooner is a quicker death nail to the workers, Mr. President. This goes in the wrong direction."

Senator Chumbley rose to speak in opposition to the measure also and said:

"Mr. President, I rise to speak in opposition to this measure. A couple of the previous speakers talked about beauty and age, well I would represent that now it's ageless beauty speaking. (Laughter.)

"Mr. President, when this bill passed out of the Senate, many of you realized that the version that we adopted was a 90-day notice and I rose and spoke against that measure at that time. The bill that we have now before us is not even a conference draft, it's a House draft and it was a 60-day provision. I think the point that I wanted to make, Mr. President, is that there was some discussion that the 60-day period matches the federal closure notification. However, the federal closure notification has a different number of employees and I believe that number is somewhere upwards of 100. Our law represents 55 employees.

"So if we are going to in fact try to do something similar to what the federal government is doing, then we've only done half of it in looking at just the days of notification as opposed to the notification of the total number of employees.

"Another component of this bill that's disturbing is that it deals with partial closings or relocations. If this was simply just a closing notification, one could argue that a little bit more time would be beneficial. But I do take exception that it's unconscionable to businesses to not give their employees notification.

"There was a previous speaker who did, very succinctly and on point, identify that when a business is in trouble, people are aware of it, things are happening, and what's going on can be seen. Adding an additional 15 days is not going to be the total adequate time to look for jobs and training programs. This just gets to be an additional burden on businesses that is not going to be necessarily in the best interest of the employees.

"So I would urge all of you to consider this seriously and reject the additional 15 days."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 28 and S.B. No. 28, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DISLOCATED WORKERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 16. Noes, 8 (Chumbley, Hemmings, Hogue, Ige, Kim, Matsunaga, Sakamoto, Slom). Excused, 1 (English).

S.B. No. 65, H.D. 1:

Senator Kanno moved that S.B. No. 65, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Slom requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 65 and S.B. No. 65, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL PROCEDURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

S.B. No. 423, S.D. 1, H.D. 1:

Senator Kanno moved that S.B. No. 423, S.D. 1, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Hogue requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 423, S.D. 1, and S.B. No. 423, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL PROCEEDINGS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 535, S.D. 2, H.D. 1:

Senator Sakamoto moved that S.B. No. 535, S.D. 2, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kanno.

Senator Slom rose in support of the measure with reservations and stated:

"Mr. President, I rise in support of the measure with reservations.

"This bill has to deal with the Department of Education's after school and weekend programs for child care and recreational purposes. It's interesting that it's an immunity bill trying to protect the immunity of those that are working in these programs. The bill seeks to declare that these in fact are not educational efforts and that in fact there is no connection with the State.

"I'm afraid that this bill is going to fail because the attorneys are going to find that there is a direct connection since we're using Department of Education facilities, oftentimes Department of Education personnel, and that there will be a connection made between educational and recreational purposes.

"Thank you."

Senators Hemmings and Hogue then requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 535, S.D. 2, and S.B. No. 535, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 699, H.D. 1:

Senator Hanabusa moved that S.B. No. 699, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chun.

Senator Slom rose to support the measure and said:

"Mr. President, I'm so grateful to be able to stand up to support this bill which magnanimously will send a buck back to every taxpayer here.

"Everybody was talking about how good the economy was last year and how much improvement we've made and the constitution states that when we have several successive periods of increase that there should be a refund made to the taxpayers of this State. The minimum is \$1 and that's what we're going to get – one buck per person.

"So, everybody that's in the gallery and elsewhere, I know that with this new found wealth they can go out and buy a new car or condo or something else today.

"Thank you, Mr. President."

Senator Hemmings rose to speak in favor of the measure with reservations as follows:

"Mr. President, I rise to speak in favor of this bill with reservations.

"Back in 1986, the Council of Revenues, I believe it was in December, announced that for the end of the fiscal year '87, the State of Hawaii was going to have a \$700 million surplus. I believe, Mr. President, you were in the House of Representatives with me at the time. That surplus came from excessive taxation on the people of Hawaii.

"Of course, the compassionate and caring Majority Party members immediately rose to the challenge to find ways to spend the money to help the people of Hawaii. There were those of us who believed that giving the money back to the taxpayers could probably help the people the most where they would have the freedom of choice to choose how they want to spend their money.

"What happened was, that tax year each individual taxpayer got back \$125, rather than \$1. A family of four got a \$500 tax credit. If they didn't pay taxes that year, they got back \$500 – a meaningful, meaningful refund.

"What's happened in the ensuing years? Have taxes gone down so that we no longer have a surplus? No. What's happened is that government has grown exponentially. All of the money that is collected from the working men and women of Hawaii, and we are amongst the highest tax in the nation, has been consumed. So now, all we're able to give back to the poor beleaguered taxpayers is \$1.

"I'm hoping that we can turn this monolithic engine of government around so that in the future we can give back real tax refunds and eventually cut taxes. I firmly believe, Mr. President, that the individual taxpayer can do a better job of spending their money than politicians.

"Thank you."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 699 and S.B. No. 699, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 758, S.D. 1, H.D. 2:

Senator Kawamoto moved that S.B. No. 758, S.D. 1, H.D. 2, having been read throughout, pass Final Reading, seconded by Senator Kim.

Senator Hemmings rose to speak against the measure as follows:

"Mr. President, I rise to speak against this bill.

"I'm not going to give my speech in Portuguese, Mr. President, but I do want to note that we did have a discussion on this bill the last time it left this chamber and we talked about the

biblical interpretation of what happened with the Tower of Babel. I will tell you that someone more qualified to talk about that issue had a rebuttal to my comments. I must tell you that God, in his infinite wisdom, when he wanted to disperse people, no matter what your interpretation of the Bible or reason was, he made them all talk different languages.

"This bill doesn't really help to unite our people, and there's another reason to vote against this bill – it's not going to be cost effective requiring or making the opportunity for driver's licenses to be issued in different languages. Who's going to pay for it? Are we next going to say that being a driver with some foreign language is a right and that maybe we should start changing signs on the side of the road? Since I got my license in whatever, maybe we should make the signs in that language. It's discriminating against me because the signs aren't in Portuguese.

"The point is, what unites us in our culture is our language. It unites people in other nations. You don't have this type of political correct nonsense going on in other countries. They have a national language and they all speak it. If you want to go live there, you comply with the laws as they're written in their language, by their country.

"Our language happens to be English, and so should our driver's licenses. Thank you, Mr. President."

Senator English rose to support the measure and stated:

"Mr. President, I rise in support of this measure. I really could give this whole speech in Hawaiian or in Mandarin, but I won't.

"Mr. President, I just have to say that this is something that celebrates the diversity of our peoples in Hawaii and it is something that recognizes the fact that the signs on our roads are really moving towards international symbols and international signs. Many people throughout the world understand and read English, yes, and also take their exams in English, but also there's a loss for, let's say, the use of the official language in Hawaii, Hawaiian, to be used in official transactions.

"Now, there's a little bit of ambiguity here where it says the Department of Transportation will decide which languages. I know that the Senator from Waimanalo has put in his request for Portuguese and I'll put in my request, with the constitution backing this, for Hawaiian.

"Mr. President, this celebrates the diversity of our peoples. It celebrates the differences that we have. We all must speak English as the lingua francas, the language to get by, but there are so many different languages here. It is not discriminatory. In fact it recognizes the vast differences that we have and allows for that to be celebrated here.

"Thank you, Mr. President."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 758, S.D. 1, and S.B. No. 758, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DRIVER'S LICENSES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

S.B. No. 805, S.D. 1, H.D. 1:

On motion by Senator Kanno, seconded by Senator Matsuura and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 805, S.D. 1, and S.B. No. 805, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

S.B. No. 951, S.D. 1, H.D. 1:

Senator Kanno moved that S.B. No. 951, S.D. 1, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Sakamoto rose to speak in opposition to the measure and said:

"Mr. President, I again rise in opposition to this measure. Some of these remarks I've said before, but I feel it's worth repeating.

"I fully support prosecution and punishment of all crimes, including those that this measure labels as 'hate crimes.' However, this measure is simply redundant. The crimes of assault, murder, vandalism, an incitement that this bill seeks to address, are already punishable under State laws.

"Are we now saying that the violent crimes committed upon one person is somehow not as bad as a violent crime committed on another simply because of what the attacker was supposedly thinking or who the victim was?

"What this bill does is make the thought process behind these crimes illegal. This legislation seeks to penalize what is in the heart and the mind, and that is a dangerous precedent for us to be setting. The message that this body would be sending is that your individual worth is less, depending on who you are and more dependent upon the group that you are identified with. That assumption simply is not the case.

"The speaker from Maui talked about celebrating diversity. Hawaii certainly is a multiethnic society being forced to adopt the American standard of politically acceptable behavior and language. We live in a community where most of us widely accept common everyday language, including racial slurs – not that I approve, but that's common language here. Hate does not exist in those cases. It's often attributed as a joke. Often, the user himself uses those.

"This measure allows for that same kind of language, but could be misrepresented. On this very Floor, comments about age, beauty, location of where you live – Waimanalo, Manoa, Kauai – these can be based on this bill. The defendant intentionally selected a victim in the case of a property crime or the property was the object of a crime because of hostility toward the actual or perceived race, religion, disability, ethnicity, national origin, or sexual orientation – not good . . . actual or perceived, thoughts in their mind.

"Our State already covers all of these crimes. If laws need to be strengthened, indeed let's strengthen them. We live under the premise that all are equal – equal – under this law, our laws. To pass this legislation would say we are not equal. No violent crime is worse than another no matter what the motive – theft is theft, murder is murder. Any violation to one citizen should be no more, or less, offensive because of a perceived motivation or perceived thought, especially in our multiethnic community.

"This will lead to the law of unintended consequences, possibly not good, Mr. President. I urge my colleagues to vote 'no.'"

Senator Slom rose to speak in opposition also and said:

"Mr. President, I, too, rise in opposition to the bill. I, too, like the good Senator from Moanalua, have made remarks before and arguments before.

"This is of course the ultimate in political correctness legislation. We are not really looking at punishing the crime; we are looking at creating divisions between and among people. But as a practical matter and as a legal matter, proving that any kind of crime of this nature actually existed would rest on intent. In order to prove intent – you'll have a very difficult time doing that – one of the tenets for looking at intent is past action or trend or the kinds of activities or character that a person exhibits. In court cases, as it has been seen up to this point, including this kind of legislation should it pass, we would find that there would be attempts to block any previous introduction of evidence that show what kind of a person or what kind of actions the person had.

"This is not to condone hate crimes in any way. This is not to lessen the importance of the actions that are brutal and that are horrific and that we hear about all too frequently. What it is saying, as the good Senator from Moanalua said, is that we are differentiating between the value of life and between the value of different kinds of persons. By all means, let's strengthen laws that we have now, let's make sure that they're enforceable, and if we need to increase the penalties, let's do so, but let's not embark on this hate-crimes legislation.

"Thank you."

Senator Hemmings rose to speak against the measure and said:

"Mr. President, I rise to speak against this measure.

"This is politically correct extremism and I would like to have the Clerk enter into the Journal the very astute observations and articulate presentation of the good Senator from Moanalua as my own.

"Thank you, Mr. President."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 951, S.D. 1, and S.B. No. 951, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HATE CRIMES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Hemmings, Sakamoto, Slom). Excused, 1 (Kawamoto).

S.B. No. 1045, H.D. 1:

Senator Nakata moved that S.B. No. 1045, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom rose to speak with reservations on the measure and said:

"As has been our persistence, Mr. President, we're going to vote with reservations because again bringing up the issue of emergency appropriations. One day we'll get it right, we'll do

our budgeting correctly, and we'll hold people financially responsible for their own budgets."

Senators Hemmings and Hogue requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1045 and S.B. No. 1045, H.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR HEALTH FUND PREMIUMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

S.B. No. 1067, S.D. 1, H.D. 1:

On motion by Senator Menor, seconded by Senator Matsunaga and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1067, S.D. 1, and S.B. No. 1067, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITING HURRICANE PROPERTY INSURANCE RISK," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

S.B. No. 1262, H.D. 1:

Senator Inouye moved that S.B. No. 1262, H.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kokubun.

Senator Slom rose in support of the measure with reservations and stated:

"Mr. President, I rise in support of this measure with reservations.

"I think the project that we're talking about, the chill water project for downtown Honolulu, is important as, again, part of an energy portfolio and saving valuable energy, but I'm very concerned that the amount of the original offer or the authorization went from \$19 million doubled to \$38 million. So I'll go with reservations.

"Thank you."

Senator Hogue requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1262 and S.B. No. 1262, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

THIRD READING

MATTERS DEFERRED FROM WEDNESDAY, APRIL 25, 2001

Stand. Com. Rep. No. 1727 (H.B. No. 505, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1727 was adopted and H.B. No. 505, H.D. 1, entitled: "A BILL FOR AN ACT

RELATING TO PUBLIC LANDS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Hemmings).

Stand. Com. Rep. No. 1733 (H.B. No. 565, H.D. 1):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1733 was adopted and H.B. No. 565, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

At 2:24 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 2:37 o'clock p.m.

FINAL READING

Conf. Com. Rep. No. 11 (S.B. No. 1213, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Chun Oakland and carried, Conf. Com. Rep. No. 11 was adopted and S.B. No. 1213, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT AND CONTINUATION OF PROFESSIONAL DEVELOPMENT SCHOOLS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 13 (S.B. No. 118, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 13 was adopted and S.B. No. 118, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CANCER," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 16 (S.B. No. 1110, S.D. 2, H.D. 3, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Kanno and carried, Conf. Com. Rep. No. 16 was adopted and S.B. No. 1110, S.D. 2, H.D. 3, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 39 (S.B. No. 638, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Buen, seconded by Senator Chun and carried, Conf. Com. Rep. No. 39 was adopted and S.B. No. 638, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MOLOKAI IRRIGATION SYSTEM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 42 (S.B. No. 498, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Hanabusa, seconded by Senator Chun and carried, Conf. Com. Rep. No. 42 was adopted and S.B. No. 498, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE NANAKULI HOMESTEAD CEMETERY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 43 (S.B. No. 105, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Chun, seconded by Senator Inouye and carried, Conf. Com. Rep. No. 43 was adopted and S.B. No. 105, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 49 (S.B. No. 1214, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Chun Oakland and carried, Conf. Com. Rep. No. 49 was adopted and S.B. No. 1214, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NATIONAL BOARD CERTIFICATION FOR DEPARTMENT OF EDUCATION TEACHERS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 95 (H.B. No. 786, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 95 was adopted and H.B. No. 786, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DONATED DENTAL SERVICES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 96 (H.B. No. 429, S.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 96 was adopted and H.B. No. 429, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BLINDNESS SKILL TRAINING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 98 (H.B. No. 962, S.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 98 was adopted and H.B. No. 962, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A SENTENCING SIMULATION MODEL," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 100 (H.B. No. 1686, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Buen and carried, Conf. Com. Rep. No. 100 was adopted and H.B. No. 1686, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS FOR INTER-ISLAND MARITIME TRANSPORTATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 103 (H.B. No. 11, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Ige and carried, Conf. Com. Rep. No. 103 was adopted and H.B. No. 11, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 105 (H.B. No. 1391, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 105 was adopted and H.B. No. 1391, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ARTS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 106 (H.B. No. 210, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Buen, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 106 was adopted and H.B. No. 210, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 109 (H.B. No. 1216, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 109 was adopted and H.B. No. 1216, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE KOREAN CENTENNIAL CELEBRATION COMMISSION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 116 (H.B. No. 861, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Chun, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 116 was adopted and H.B. No. 861, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OPERATIONS AND MAINTENANCE OF CERTAIN AGRICULTURE-RELATED INFRASTRUCTURE ON KAUAI," having been read

throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 122 (S.B. No. 18, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Nakata, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 122 was adopted and S.B. No. 18, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 123 (S.B. No. 1379, H.D. 1, C.D. 1):

On motion by Senator Nakata, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 123 was adopted and S.B. No. 1379, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 126 (S.B. No. 469, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Kim, seconded by Senator Kawamoto and carried, Conf. Com. Rep. No. 126 was adopted and S.B. No. 469, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARKING FOR PERSONS WITH DISABILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 133 (S.B. No. 1561, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Inouye, seconded by Senator Chun and carried, Conf. Com. Rep. No. 133 was adopted and S.B. No. 1561, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 137 (S.B. No. 1414, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Kanno, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 137 was adopted and S.B. No. 1414, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR UNIFORM LAWS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 142 (S.B. No. 710, H.D. 1, C.D. 1):

On motion by Senator Nakata, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 142 was adopted and S.B. No. 710, H.D. 1, C.D. 1, entitled: "A BILL FOR AN

ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 143 (S.B. No. 1034, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Nakata, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 143 was adopted and S.B. No. 1034, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 144 (S.B. No. 1035, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Nakata, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 144 was adopted and S.B. No. 1035, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 145 (S.B. No. 1036, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Nakata, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 145 was adopted and S.B. No. 1036, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 149 (S.B. No. 123, S.D. 1, H.D. 2, C.D. 1):

On motion by Senator Menor, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 149 was adopted and S.B. No. 123, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 156 (H.B. No. 94, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Sakamoto, seconded by Senator Chun Oakland and carried, Conf. Com. Rep. No. 156 was adopted and H.B. No. 94, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PARENT-COMMUNITY NETWORKING CENTER PROGRAMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 164 (S.B. No. 549, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Tam, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 164 was adopted and S.B. No. 549, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 165 (S.B. No. 1365, S.D. 2, H.D. 2, C.D. 1):

On motion by Senator Kanno, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 165 was adopted and S.B. No. 1365, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 167 (S.B. No. 1405, S.D. 2, H.D. 1, C.D. 1):

On motion by Senator Tam, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 167 was adopted and S.B. No. 1405, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR HI-TECH HAWAII, INC.," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 171 (H.B. No. 1287, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Buen, seconded by Senator Sakamoto and carried, Conf. Com. Rep. No. 171 was adopted and H.B. No. 1287, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Conf. Com. Rep. No. 172 (H.B. No. 1089, H.D. 2, S.D. 2, C.D. 1):

On motion by Senator Buen, seconded by Senator Kokubun and carried, Conf. Com. Rep. No. 172 was adopted and H.B. No. 1089, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

S.B. No. 1164, S.D. 1, H.D. 1:

On motion by Senator Inouye, seconded by Senator Kokubun and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1164, S.D. 1, and S.B. No. 1164, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE FOREST STEWARDSHIP PROGRAM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

THIRD READING

MATTERS DEFERRED FROM WEDNESDAY, APRIL 25, 2001

H.B. No. 715:

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, H.B. No. 715, entitled: "A BILL FOR AN ACT RELATING TO THE INTEGRATED TAX INFORMATION MANAGEMENT SYSTEMS ACQUISITION BY THE DEPARTMENT OF TAXATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

Stand. Com. Rep. No. 1731 (H.B. No. 545):

On motion by Senator Taniguchi, seconded by Senator Hanabusa and carried, Stand. Com. Rep. No. 1731 was adopted and H.B. No. 545, entitled: "A BILL FOR AN ACT RELATING TO THE RENTAL HOUSING TRUST FUND," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Fukunaga, Ihara).

At 2:38 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 3:22 o'clock p.m.

RECONSIDERATION OF ACTIONS TAKEN EARLIER ON THE CALENDAR

Conf. Com. Rep. No. 70 (H.B. No. 1685, H.D. 1, S.D. 1, C.D. 1):

Senator Taniguchi moved that the Senate reconsider its action taken earlier on the calendar in adopting Conf. Com. Rep. No. 70 and passing H.B. No. 1685, H.D. 1, S.D. 1, C.D. 1, on Final Reading, seconded by Senator Hanabusa.

Senator Taniguchi explained:

"Mr. President, H.B. No. 1685 is a bill relating to taxation. We are requesting this action because this bill may be considered to have fiscal implications. Under the constitution, we must pass the budget bill prior to any appropriations bill. At the time we voted 25/0 to pass H.B. No. 1685, C.D. 1, the House had not yet voted to approve the budget bill."

The motion was put by the Chair and carried.

FINAL READING

Conf. Com. Rep. No. 70 (H.B. No. 1685, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Fukunaga and carried, Conf. Com. Rep. No. 70 was adopted and H.B. No. 1685, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

There being no objections, the Senate took the following action out of order from the sequence printed on the Order of the Day.

Conf. Com. Rep. No. 124 (S.B. No. 1044, S.D. 1, H.D. 1, C.D. 1):

Senator Hanabusa moved that Conf. Com. Rep. No. 124 be adopted and S.B. No. 1044, S.D. 1, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kim.

Senator Nakata rose to speak in favor of the measure and said:

“Mr. President, I rise to speak in favor of this bill.

“Mr. President, we are all aware that the cost of healthcare has been rising. A recent auditor’s report talks of costs to the State of over \$1 billion in the year 2013. We are struggling with the issues around that – issues of what kinds of benefits would be available to our current employees and retirees. The impact of those numbers are very difficult to deal with. This bill is one of a series to help us address that.

“I believe that the bill, as it stands, moves us in the right direction – a single employer union trust, setting up a board of trustees to work out details of the plan. Coverage for current employees and the current retirees is covered in this bill. I know that is an item of great concern to those persons, but there are problems within the system, problems that need to be addressed. There has been a leakage of state dollars out of the system, so we are addressing that problem. Going to a single trust will help us to address that problem.

“It is difficult, very difficult, because it means changes in benefits and, in the future, changes that many will not find helpful. But I believe that the bill we have presented to you is a responsible bill. It will help to preserve the benefits that our employees have won over the years with some changes, of course, because of the funding situation. I believe that if we do not address this problem now, we will find it more difficult to deal with it in the near future and then when we get to three or four years from today, we will face the necessity for tax increases and reductions in services to the people of our State.

“So I would urge my colleagues to support this bill. Thank you.”

Senator Hemmings rose to speak against the measure as follows:

“Mr. President, I rise to speak against this bill.

“This has been quite an interesting exercise in politics, Mr. President, and speaking against it, I want to clearly outline some points that I think are salient to the argument against passage of this bill.

“First and foremost, this isn’t historic reform; this is reactionary legislation – reactionary to year-in and year-out problems created by the collective bargaining process and the people that were negotiating those contracts and the people oftentimes that are rubber-stamping the costs here at the Legislature. So this is a reaction to a deep hole that was dug by the people in power, and now they’re saying, ‘Guess what? We’re going bankrupt, so we’re going to implement this reactionary piece of legislation.’

“We heard in the course of lobbying that we had to change the system because certain unions were ‘cherry picking’

benefits and only funding or participating in those areas of healthcare that were to their economic benefit while leaving the rest to the State. I’d like to ask the proponents of this legislation who want to drastically alter it now, Who is handing out the cherries?

“This bill eliminates competition. I don’t believe one size fits all, and the one-size package that’s being advocated by this bill for healthcare benefits for everybody across the board does not meet the specific needs of different labor groups that are employed by the State of Hawaii. It will not lead to a more competitive open environment where people have choices in the marketplace of healthcare to meet their specific needs.

“We suffer from another problem. Because of the unholy oligopoly that seems to be running this State, we have a monopoly, and the monopoly is a private sector monopoly and it’s a very expensive one. It comes in the form of HMSA. I would say if this was several years ago when we had several other healthcare insurance providers in the marketplace, maybe this might make sense, but we have absolutely zero negotiating power since the only game in town is HMSA and ultimately you’re not going to be able to negotiate that much.

“Now, those who are proponents for this measure will say, ‘well, maybe we’ll self insure.’ Well, I’d like to get to that point with my next general point, and that’s about a State monopoly. We’re going to be putting all our eggs and all our money for benefits into the State monopoly basket where the State is going to run the entire program.

“I want to ask you some questions – Are you happy with the way the State runs the education system? How about the Felix consent decree . . . Has the State done a good job there? How about care for the mentally needy and the mental healthcare system that’s been on a consent decree also for a number of years? So I guess the State’s going to step in and do a wonderful job managing the healthcare system for all these diverging interest groups.

“No, this is a reactionary measure. I’ve been looking over the collective bargaining laws in our State and I believe the State has the right, but more importantly, the Legislature ultimately has the responsibility and the buck stops here. We don’t have to knee-jerk react to this crisis that’s facing us by passing this law right now. We can come back next year and put together a package that’s comprehensive, that solves the problem across the board with all employee benefit packages, that solves the problem for everybody and not just singles out at this last moment a few reactionary situations.

“In speaking against this legislation, I’d also like to preempt the spin – the spin that’s probably going to come against me by the proponents of this legislation and probably by the press, because I’m not a member of the Majority Party – I’m a member of the loyal opposition. People have said to me, ‘Oh, you’re going to kowtow to the teachers and to the labor unions to curry favor with them.’ Well, I think you can remember I was the Senator that stood on the Floor several weeks ago in the heat of the negotiations with the teachers and asked a certain leader to resign. That’s not kowtowing. To that leader’s credit, she came to my office and we had long and detailed discussions on this issue, and quite frankly I had to agree with the points she made. I want to preempt the spin right now – we, as the Minority Party, go issue by issue and try to make informed wise decisions, not for what is politically convenient now, but what is prudent and wise for the long term. Yes, I think the proponents of this legislation could say that it’s going to save money. But is it going to solve the larger problem we have with collective bargaining and the whole process? No, it’s not. Do

we face larger problems down the road with the State budget and how we collect and spend taxpayer's money? Yes, we do.

"So I'm asking my colleagues to take a long hard look at this. I think most of the votes are pretty well locked in. I tried to keep an open mind as much as possible on this. This should rise above politics and it should be prudent, reasoned thinking that goes into how you vote. The reasoned, prudent thing to do is to come back next year and put together a package of legislation that is going to address all the issues concerning collective bargaining, including healthcare, and rewrite the way we do business with unions on behalf of the taxpayers of this State so that everybody is treated fairly and equally and we don't have to limp from year to year with knee-jerk legislation such as this.

"I'm urging my colleagues who might be undecided on this to listen closely to the ensuing debate on this issue and don't vote what is convenient now, but vote what is prudent for the future.

"Thank you, Mr. President."

Senator Inouye rose to speak in favor of the measure and stated:

"Mr. President, I speak in favor of this measure, S.B. No. 1044.

"Mr. President, I concur with the sentiments of my colleague from Kahaluu. This measure, if it passes, will place all of our questions that we ask, and our concerns, as well as the concerns that I'd like to convey to my constituents as well as to my colleagues, that if we don't do anything, we need to take care of our financial implications in the future and the years to come. We'll be hard pressed to find monies for collective bargaining increases in the years 2002-2003 and the succeeding years and paying for health benefits in the future.

"This bill will not take away benefits for our retirees presently in the system, and we assure them that we will continue to take care of those in the future as well. Some adjustments need to be addressed and I'm convinced that some of my concerns have been addressed as well.

"The public unions have five members, as I understand, that's in the bill and addressed by our kind Senator from Kahaluu in the new board of directors structure, plus one for a retiree. The employers will have five on that board. There is a perception out there that our employees will lose a lot of the health benefits they enjoy now, and I think not, Mr. President. I am sure their representatives on the board will fight for those same benefits in the future.

"Mr. President, also a perception out there is that all benefits will end now upon approval of this bill. That is not true. As written, this bill takes effect this year but all changes take effect in the year 2003. It will give time for all parties to come to the table and iron out all the many concerns that the public unions have. Mr. President and my colleagues, we need to be fiscally responsible for the budget and for future expenditures as well. By working together, all of us will benefit by our actions today.

"Finally, Mr. President, last night I received a fax from the Mayor of Hawaii County. The Mayor expresses his concerns and asks for our support in passing S.B. No. 1044, and I can relate to the Mayor's concerns, fiscally for now and in the future years. The bottom line is that he will have to raise taxes on our island if we fail to address this problem.

"I urge my colleagues to support this bill. Thank you, Mr. President."

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

"Mr. President, I rise in support of the measure.

"This is a very difficult issue. It's one that I've tried to keep an open mind to. I appreciate all the people that came to visit me, that called me, that e-mailed me. I read all of the material that I got from the HSTA and from the State, and from the UPW, and from the HGEA – all of the material; I read it all. And when teachers came and others came to see me and they expressed their concerns about this issue during the strike over the last two weeks, I discussed it with them, and I asked them, and I found out that most of the teachers really didn't know anything about the issue itself, had not read it, but they were told that this is the position that they should urge – urge a no vote.

"I think all of us have a better understanding of what the issue is about right now, but it's really interesting that this issue has clearly cut across all kinds of lines – clearly Republican/Democrat; union conservative and liberal conservative; union/non-union. People have attempted to try to pick a winner or a good guy or good gal. Is it the Governor that's good or evil? Is it the head of the HSTA union that's good or evil? From my standpoint, there's no truly good guys or evil people. There are people that are very concerned. And caught in the middle are the employees and the retirees – caught, as my colleague has said, my colleague from Kailua, caught in the system that's been perpetuated over several decades that made promises that could not be kept fiscally, that did not address issues in the past until we finally got sober to the fact that we don't have unlimited supplies of money and we can't keep promising everything to everyone. And that's where we are now.

"The issue is what do we do? Well, if it were a clear determination and one side was clearly predominant, we probably would not be spending this much time and there wouldn't be that much interest. And if, as has been said, this is only a band-aid approach, then the galleries would not be filled because people would not be that concerned about a band-aid. We understand, I think, that this is in fact a turning point. It is the part where we've come to the fork in the road and we have to make a decision one way or the other. And it's a tough decision. It's tough because, as I say, we have different points of view and many of us have debated this with our friends and our colleagues for quite some time now, before even the teachers came in to see us and others.

"What it comes down to is this – Do we have confidence that a single trust system is going to be in fact cost saving, is going to make the changes, and is going to be taken care of efficiently by those in charge? Ah, there's the rub – those in charge. Those in charge now are the ones that have been in charge for quite some time.

"I think I'm one of the few people that stand in this body that has negotiated annually for more than 18 years with all of the major medical carriers in this State on behalf of private small business employers, their employees, and their dependents. I know what it's like. I know what the costs are. I know what the giveaways are. I know how difficult it is. My feeling is that it's particularly difficult because we are the only state, after 27 years, to still have the monopolistic prepaid healthcare act. It is an act that cries out to support monopolies. It is an act that discourages expansion of business. It is an act that throws up barriers of entry for new businesses and more competition so

that all of us – private sector, public sector – have more healthcare choices.

“I know, based on the negotiating that I’ve been involved with, with a very small group of under 3,000, that the State has had ample opportunity to do a much better job than it has in the past, and it hasn’t done that. It has not done a good job of negotiating, and it’s had a far larger group – 40,000 or more. And yet it was willing to take basically what was handed off the shelf rather than true negotiating. Why? Because the economy was generally good, because promises had been made, and we weren’t thinking about that. But some people were, and some people raised this issue years ago and said that we have to address it and we have to make a change.

“The Governor came with his collective bargaining reform in ’95, and ’99, and 2000, and part of it was a change in benefits and the idea that we need to bargain for those benefits and not have the Legislature approve them, and do it unilaterally. I certainly agree that one size does not fit all, and yet one size has brought us to the brink of financial chaos.

“Finally, Democrats and Republicans realize that something has to be done and has to be done now – not next year – NOW! This bill, which takes effect in two years after – after – the current medical contract expires, gives us an opportunity in which to make changes, in which to fine tune or refine, in which to get additional information. But it puts something in place, something for us to say we are determined this time to make a change; we are going to go in a new direction. If we wait till next year, were only fooling ourselves. There will be more lobbying, there’ll be more pressure. And guess what? All 25 Senators and all 51 members of the House are up for re-election and some people, I’ve been told, actually vote depending on where they’re concerned about where their endorsements are coming from.

“This issue has made us focus on what the alternatives and what the options really are, and here’s what they are: Those people that argue that if we adopt this bill that they will lose benefits or that they will face higher costs in the future are right – they will face higher costs in the future, because everyone else is facing higher costs in the present. Many of your friends who are not public employees, in the private sector, whether they’re in business or whether they’re individuals, have had an increasingly difficult time to get affordable medical coverage, and yet our emphasis this entire Legislature was on the roughly 20 percent of the labor force that is unionized. And we did a good job for the teachers because we all agreed that teachers need better compensation and they need better working conditions, but we kept being asked for more and more and more. And there is a point in which you say you can’t give more, particularly when 80 percent of the population in the market for medical coverage is having a very difficult time getting any kind of coverage whatsoever. They would be ecstatic to have the kind of coverage that you have enjoyed as public employees and that you will continue to enjoy maybe at a higher price, but coverage that they in the private sector cannot get at almost any price.

“Now what do we do in the future? Do we rely on the government to solve the problems? It’s not going to happen, as was said. But we know this – if we do nothing today, if we do not make a change, if we don’t say, as a body, that this is important enough that we have to all work on it together, we know exactly what’s going to happen – the costs are going to continue to escalate and there’s going to be more uncertainty. And there will come a time – there will come a time – in the future when we absolutely not only cannot take care of any new beneficiaries, cannot take care of the retirees which were promised certain benefits, but that we can’t even continue at a

reasonable level the kinds of benefits that employees are enjoying today.

“This all goes hand-in-hand with improving the delivery of services of government and keeping the expenditures down, but we have to prioritize what’s most important and we can’t do everything. So it means that we have to decide what it is that we’re going to change. And if we’re going to change privatization, and we’re going to change collective bargaining, and we’re going to move in a new direction as this Legislature said two years ago and last year, then it means that you have to do it all the way. And it means that some of the people that are in charge now are not going to be here after next year’s election. Some of the people that have made the mistakes in the past are going to be changed. But without the process, without the legislation, it would be the same thing as what we’ve gone through for four years without privatization legislation under *Konno v. County of Hawaii*.

“So, as for me, it’s not a question of picking whether the Governor is right, although I think he is right on a number of issues involving collective bargaining reform, or choosing HSTA and saying that they’re right, because they, too, are right. Their books have been open. They have run a very good plan. But the point is affordability and what do we do in the future. So, if I have to choose anyone at all, I’ll choose the Legislative Auditor, which everybody says time and time again – she’s got the utmost integrity, she does the best research, she’s the most honest person we’ve got in government – and I’d come down on her side. And her side is a single health trust and how we administer that trust. And the changes we make will be up to the trustees and they will be up to the voters.

“I, for one, think that there is a possibility for self insurance. But if we continue to have people that don’t have business experience running the show, we’re going to continue to have problems. This gives us breathing space but yet a signal that in two years we’re going to make substantial changes. It tells the unions that you’ve got an opportunity in two years to bargain for the kinds of plan and the kinds of benefits that you want. We have to go from a defined benefit to a defined contribution system. That’s the way the world works. That’s the true economics of what it is unless we had improved our economy so much that we had so much money pouring in and so much business expanding, but we don’t have that luxury so we have to make tough choices. And it is a tough choice.

“I would like to see those retirees, particularly those that are vested, to be protected and grandfathered so that they don’t have to worry about benefits that they relied upon. And that’s a possibility, because the decisions will be made by this ten-member board as was pointed out, five union members and five from the state government.

“It’s not a question of destroying the future. It is a question of trying to prepare for the future. And the future will come and change will come whether we want it or not, whether we like it or not. What we have to do is try to be as proactive as we can and try to help to form that future and those changes, because if we don’t, other people will, and we probably won’t like the direction that they’re going in.

“This bill, while far from perfect, gives us at least an opportunity to start, and so I urge its passage. Thank you.”

Senator Kawamoto rose to speak in opposition to the measure and stated:

“Mr. President, I rise in opposition to this bill.

"This is the first bill through this whole Session I've opposed. Primarily it's because of the fact that as a Senator and as Majority Leader I also feel what my obligations are. I've come to this body supporting the working men and women of this State. My concern is that we're basing our facts on things that will happen or could happen, facts that even as late as an hour ago we had a chart which budget and finance gave to us a day ago and came in and said they misled us on this concept. We had to bring in somebody from HSTA and somebody from Kaiser to show that this chart was misleading.

"Some of us have been here for some time. It's kind of hard to believe. Eight years is a long time, but we've been here eight years and we seem to be the guys who are the senior members of this body. Eight years ago, the administration came by and used the same language – high costs – and they proposed managed care and proposed QUEST. We wanted managed care to be the first in the nation, and we pushed, the body pushed, and we finally got QUEST and we finally got managed care. We realized, all of a sudden, this played havoc with the plans, played havoc with the medical specialists, and played havoc with the research as we were told by the people that were working on the problem.

"Today, our cost is still up. They didn't find the answer then. The question to my colleagues is, Do we sacrifice the support that we've got on something that somebody's been telling us is going to happen? What figures do we believe? Figures are different from both the unions and the administration. So, do we sacrifice our political career for that? We want to come back and fight another day, and that is our concern that we have. To me, that's asking too much.

"I ask for a Roll Call vote. I ask that we vote up or down on this bill."

Senator Tam rose to speak in opposition to the measure and stated:

"Mr. President, I rise to register my 'no' vote, Relating to Public Employment Health Benefits, for the record.

"This bill seeks to address the issue of increasing costs for public employee health benefits and rising healthcare costs by reducing benefits to public employees hired after June 30, 2001, and by creating an employer union trust fund that would serve as a single health benefit delivery system for all state and county employees, retirees, and their dependents.

"This is a very difficult decision for me because I think this issue has become very emotional. I hope to God, basically, that people's feelings are not hurt, but I have to do what I have to do in my own conscience.

"While the bill's intention is good and while it may or may not actually reduce the cost to the State of our public employee health benefits, I believe more work needs to be done on this issue before we decide to affect the lives of tens of thousands of active employees and retirees. I am not sure that eliminating the current union offered health plans, which have served our employees well, and offering only one state mandated plan is the answer to cost containment and better health services.

"Government has shown us time and time again that it is not the most efficient system when it comes to managing our public's hard-earned dollars. I would be very worried about once again putting it in charge of something so important as selecting the absolute best health services for all our public employees and retirees.

"Before I can agree to support a bill such as this, I need to be satisfied with the following things:

1. That the State provide a detailed plan as to how it will implement a single health benefit delivery system with goals and objectives, a timetable for implementation, and specific calculations on how and where cost savings will be attained.

These are tough questions to ask, but I have to ask them because of my background as a budget analyst.

2. The State should conduct public hearings throughout the State for affected employees and retirees to address their concerns.
3. The Legislative Auditor has found that improved health benefit administration is necessary to reduce costs but did not show how creating an even larger health trust fund will reduce administrative costs or make it even more efficient or reduce costs.
4. The State should study alternative plans to address the needs of current retirees on fixed incomes who may in the future be charged for the portion of their health benefits that the State does not fund.
5. The State needs to negotiate for better benefits so employees do not leave the state fund for their union funds.
6. If this is truly an employer/union trust fund then the board members of the employee union side should not be appointed by the Governor, but by the unions or employee organizations.
7. As a strong advocate for open government and people calling me Mr. Sunshine, which I'm proud of being, the board must also be required to adopt rules consistent with Chapter 91 requiring open public meetings. Currently, the bill proposal waives Chapter 91. Only in this way will the public employees be assured that their interests are being fairly addressed.

"I cannot at this time vote 'yes' on a bill that leaves questions in my mind. Thank you."

Senator Chun rose in support of the measure and stated:

"Mr. President, I rise in support of the measure.

"Mr. President, the comments made by the Senator from Hawaii Kai are well taken. This is not a Democrat/Republican matter. This is a bipartisan effort. And the reason why it's bipartisan, Mr. President, is that everybody recognizes that the system is broke. This is not a new issue. This is not something that just came up this year. This is something that arose, I would say, at least since 1998 when people were talking about the fact that our rising health costs were going out of control. In fact, I just heard a Representative in the House speak on how long he's been working on this issue and the headway that he has made over the years in trying to improve the health fund.

"Mr. President, we all know the system is broke. The Auditor's report in 1999 didn't tell us any new things, but it did highlight to us some of the huge amounts of money that we were losing because the system was broke. What it boils down to, Mr. President, is a question of money. It's a question of money and who controls it. The unions want to keep their health fund because they want to control the money. They don't want to give up certain things because they want to

control their money. They're willing to have audits because they want to control the money. They want to take retirees, when right now they're not, because they want to control the money. Mr. President, it's all about money.

"How much money are we talking about, Mr. President? There are a number of figures going around. The administration estimates that \$65 million a year is being wasted, wasted, Mr. President, because that's the kind of money we're throwing out when we allow the unions to port out their employees – \$65 million a year, Mr. President. That's a lot of money. Who gets it? Who gets it? It's about money.

"The Auditor's report looked at that same issue and the Auditor came back because nobody seems to disagree that the Auditor is an honest person, the Auditor does her job. But what did the Auditor say? The Auditor estimated on just one union plan alone, UPW's and HGEA's CHAMP plan, just that plan alone, that we're losing approximately \$7.8 million per 1,000 employees – \$7.8 million just from that one plan per 1,000 employees. If we have 2,000 employees on that, which is a very reasonable . . . that's \$12.3 million a year – a year, Mr. President. And that's just on one plan. Who's controlling that money, Mr. President?

"What we want to do is make it fair to everybody. These funds should be used for the benefit of everyone, not just any individual union, not just for the employer, but everyone. That's why, Mr. President, the Auditor in her report, in coming to her conclusions, made these recommendations: Her first recommendation – the health fund program and all of the union programs should be combined into one overall program. That's what we're doing. Another thing the Auditor said – the health fund should be given more authority and flexibility to deal with the dynamics of the healthcare marketplace. That's exactly what we're doing. Another thing – consideration should be given to restructuring a board to oversee a single program approach for the Hawaii public employees health benefits program. That's exactly what we're doing here in this bill. Lastly, carriers should be encouraged to participate in their program. The requirement of statewide service capabilities should be removed to allow qualified regional plans to participate in their service regions. This will create competition among health plans and result in more competitive rates. This bill allows them to do it.

"Mr. President, we have been criticized. The Legislature has been criticized with having report, after report, after report, and then not doing anything about it. And that's what bothers me about some of the positions that have been taken by my colleagues today – we should study this issue; we should wait; we should get more information. Mr. President, we've been doing that for years. That's the hallmark of the Legislature – to take a study, shelf it, and then say we've done a great job. Mr. President, I was not elected to do that. I was elected to take a look at the information we have here, to make changes when it is needed, and to have a good reason why I'm doing it. Nobody questions that this is not a good reason and we're losing money over here.

"Another question, Mr. President, that has really bothered me on this, and the Auditor again brought that out, is why are we arguing about this? Is there some kind of hidden thing that we don't know about? Is there some kind of benefit that somebody is getting and somebody is not? I think there is.

"Mr. President, what really disturbs me about the current situation over here is that the employer, the State, is paying more money than it should. The Auditor found that. For example, the Auditor in her report, and I won't read it for you but you can read it yourselves, the Auditor in her report

determined that for that one plan we're talking about, the CHAMP plan, the State is paying more money to the union for these plans than it actually costs. Yes, we negotiate a 60/40 split, but when it comes down to porting, we pay more. And that's fine. That's a quirk in the system. But what's really more disturbing is even though the State pays more than what the actual cost is, the unions go ahead and still charge their members more money. They charge it on top of what the State is paying them that covers the entire cost, and that money is in there. That's one reason why the Auditor was saying we need to audit these things. We need to know whether our money is being spent wisely and whether the money being collected by the members are spent wisely. That is really disturbing.

"Again, I go back to what I said before, Mr. President, it's all about money – who's taking what money and using it for what purpose. We need to get a greater control of these costs. We need to make sure that the employees are treated fairly by everyone. We need to make sure that this system lasts beyond this year, beyond this budget year and lasts for another 10, 15, 20 years. Because, Mr. President, unless we get a handle on these costs, the Auditor has clearly indicated and the facts do show that if we don't do anything about it, the cost of employer contributions to run the health system is \$1 billion by the year 2013 – \$1 billion. Our total State budget this year is only \$7.1 billion. And if in 2013 that's just to run the health system, \$1 billion, Mr. President, the system cannot survive.

"There's been some concern raised by the retirees that this bill will take away benefits. I don't believe it will. The committee reports and the people working on it specifically state that is not the intent, to take away benefits. What will happen, Mr. President, is not a question of what benefits will be offered. I believe it's going to result in the question of who will offer these benefits. The benefits will remain the same. The way those benefits will be given might change. But, Mr. President, I rather have a situation of changing the way benefits are offered as opposed to not offering those benefits, because, Mr. President, if we don't change the system, it will go bankrupt and then we'll be forced to make an even harder decision to cut those benefits. That is a decision I do not want to make and that's a decision I do not support. I will do everything in my power to make sure that we don't have to make those decisions to make sure this system will continue and that everyone will benefit.

"Mr. President, I liken this situation to the social security situation. The social security system, because of the rising costs and the rising age of the population, is slowly going bankrupt. Mr. President, the United States government is grappling with that decision – either we fix this system or it's going to go bankrupt and everybody hurts. It's the same thing with this health fund – our costs are rising, money is being spent unwisely, and we need to fix this system. If we don't fix this system, everyone will hurt, including the retirees.

"So, Mr. President, it is a hard pill. It's a hard decision but we need to make the hard decisions, not study them. Mr. President, I urge all my colleagues to vote 'yes.'"

Senator Menor rose to speak against the measure as follows:

"Mr. President, I rise to speak against this measure.

"Mr. President, as the previous speakers have indicated, this bill raises difficult and complex issues. I would also agree with the previous speaker that we are faced with a very difficult vote today, not only because the issues that are being raised by this bill are of critical importance to the people of Hawaii, but also because the proponents, several of my colleagues in this body

and members of the administration, are individuals whom we have come to respect throughout the years.

"I also recognize that we are going to have to come to grips eventually with the rising health fund costs for the State. However, after carefully considering the matter, Mr. President, I am not convinced at this time that this bill is the answer to that problem, and I take that position for several reasons. First of all, I believe that there are genuine uncertainties as to whether the passage of this bill will cause health plan premiums to increase for active employees and retirees alike, and whether this bill will negatively impact the quality of their health coverage. Moreover, those who support this proposal have asserted that the creation of a single employer/union health trust fund will significantly reduce costs of the fund for the State. I think that we need to seriously question the validity of this argument, given the fact that before the Legislature passed the law in 1994 allowing public employee unions the ability to establish their own separate health plans, the state health fund had already been experiencing significant cost increases.

"In addition, the proponents of this measure have argued that the pooling of employer/employee contributions into a single health fund will provide the fund with greater leverage or negotiating power for the State to be able to negotiate better health plans with insurance carriers. This argument needs to be carefully evaluated since, as we all know, effective competition among health insurance carriers in Hawaii is almost nonexistent.

"Finally, proponents of this measure have argued that this bill addresses issues such as excessive porting and the financial accountability of the various union health plans. However, I think that we need to evaluate whether these issues could be addressed through less drastic means than what this bill calls for.

"I would like to clarify that I remain open to the proposal that is contained in this bill. However, I believe that further dialogue among all of the affected parties is necessary before we enact this measure into law. The issues relating to the health fund should also be addressed comprehensively and not on a piecemeal basis. I believe that we also need to recognize that there may be other factors driving increases in the health fund costs that have nothing to do with the organization of the health fund, such as rising healthcare costs in general which have negatively impacted other government healthcare programs such as Medicare and other programs.

"Accordingly, I believe that this measure should be deferred for this Session, and therefore I will be voting 'no' on this bill.

"Thank you."

Senator Fukunaga rose in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this bill.

"What this bill does is propose to solve the problem of burgeoning healthcare costs by shifting public employees back into a single health plan without answering the question: How will the single plan deliver comparable benefits at lower costs?

"What is most troubling about us taking a vote on this very big policy change is the fact that this bill was constructed in a manner which totally defies the dictates of good drafting and good public policy debate. We have heard numerous complaints from a number of participants, all of who have an active and legitimate stake in the outcome of this legislation that they were denied the ability to participate in the process.

"I am troubled by the fact that HSTA representatives have said that they were denied the opportunity to actively participate in proposing recommendations on this bill. Teachers who a few short years ago struck for better pay and working conditions are now facing the elimination of their health plan, which is cheaper and provides better benefits than the state health fund does.

"I am equally troubled by the fact that representatives of retiree organizations have not been involved in the shaping of the conference draft of this bill, particularly with respect to public sector retirees who have already ended their public service and who planned for retirement according to the rules in effect when they were working. I think we at least owe them the respect of being a full stakeholder participant on changes to their benefits.

"Finally, I am deeply troubled by the fact that a core reason for S.B. No. 1044's proponents to urge its passage – which is that of spiraling health costs resulting from older, less healthy members of the health fund – appears based on flawed information.

"Today we learned from Kaiser Permanente that some of the information presented to us by the Department of Budget and Finance yesterday was not accurately represented. In their own comparisons, HSTA's health plan consultant showed that the average ages in the Kaiser health plan are essentially the same for active employees, which does not support the representation made by proponents that the porting formula creates a biased or adverse selection.

"The points that I have outlined above are certainly things that have made me very troubled about whether or not it is appropriate for us to take action on this major piece of legislation at this time. I think these are things that all consumers of state and public union health plans have the right to participate in. I would rather take the time to craft a better solution than the one before us today.

"For these reasons, I'm voting 'no.' Thank you."

Senator Hanabusa rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this measure.

"Mr. President, we all come to this point for a variety of reasons and we all take the positions we've taken today for a variety of reasons. The good Senator from Waipahu was honest; he's concerned about his reelection. We all have differing views on this. Whatever our position may be, we, as a collective body, owe the public, our employees, our retirees, our constituents the taxpayers an apology because this is a mess.

"When six of us were originally elected in 1998 and took office in 1999, I remember then, sitting in the CPN Committee. As a matter of fact, the good Senator from Hawaii Kai was on that Committee with me and we were looking at confirmations of healthcare/health fund members and we couldn't figure out what was going on and why there seemed to be an inherent conflict with who was being appointed. Mr. President, you were part of that Committee as well. As we discussed it we said, 'hey, something's not right.' Then towards the close of that Session is when the Legislative Auditor came out with her report and we were all shocked.

"She talked about the collection of about \$295 million with costs, meaning monies out to the health funds of the health insurers of 205. And she raised the issue – Where's the money? And none of us knew. She went on to say in her report that the

unions would not permit her to audit; they did not cooperate with her; and she was estopped from getting the information that she needed.

"We must apologize, because this is a mess. It's never good at any point to start to say, 'Okay, what do we do? How do we stop the bleeding? How do we get control?' But we have to do this.

"Like I said earlier, we all come to this point for a variety of reasons, and I come contrary to what many may believe because of my concern over the retirees. As many of you know, I am a labor lawyer. One of the most disheartening things that I have had to endure in negotiations is to watch the tug-of-war between retiree benefits, fully paid medical benefits, versus the actives and their needs. I have seen plans say we cannot do it anymore because for every dollar we put away for an active's medical plan, we must put away another dollar for the retirees. After a while, the active says, 'I have a family. I've got to feed them. I need those raises.' So what happens? It's that silent group, the retirees, who sacrifice probably more than anyone else to get the young guys to the point where they were earning those wages. They are the ones who are caused to suffer.

"I received one call that stopped me cold, but it was from my Aunt Jojo – not a real aunt, a hanai aunt – who left me this message, 'Aunt Jojo's planning to retire. Vote against 1044 because I'm not going to have healthcare benefits.' And you know? I became even more determined as to why S.B. No. 1044 has to go through.

"What we must tell the public . . . and the public has a right to know the true story of healthcare and what it costs. When the original versions of these bills came down, what the retirees should know is that yes, they wanted to change your Medicare reimbursement back to \$45.50 or whatever it was, but we knew that there was a motion made and passed among the health fund that you would get your \$50.00 per month. What the public doesn't know is that because retirees are now required to take the Medicare part B that the Legislature said, and the health fund has gone along with it, that you will be reimbursed that portion that is deducted from yours' and your wife's social security check. What this means is that each and every one of you who qualify should be receiving a check. I think it's paid to you in a lump sum of \$1,200 a year to reimburse both husband and wife. That is in the bill and that is to continue.

"The other thing that people are not aware of, and I don't even believe the retirees are aware of this, is how much the benefits cost. There was a concern raised when we went over these figures as to whether or not the amounts that we have set forth in this bill that if this bill passes, and if the new health fund takes place, the one thing they must do is they must cover the retiree benefits at the amounts that we have set forth. What the public does not know and many of the retirees may not know is what those numbers are. If you are under 65 years of age and in a family plan – you, your wife, and some people, maybe police or firemen, may retire earlier and they may have smaller children – it's \$928 a month. If you are single, it's \$342 a month. If you are enrolled in a supplemental medical or Medicare family plan, it's \$671 a month. If you are a single enrolled, it's \$218 a month. We put those figures in the bill because we wanted to ensure that the retirees will not be forgotten in this process.

"One of my colleagues raised a very important issue. She said, 'What if that's not enough money?' I said, 'That's two years out, two years from now. If we cannot cover a family plan at almost \$1,000 a month, we are in major problems.' Imagine what the rest of this State will be paying if we cannot cover this. And remember, this is all 100 percent subsidized by

the State – by the State. This is the continuing commitment to retirees. I do not ever want to endure going to negotiations or having any of you feel what it's like when that choice must be made. As you all know, retirees are covered only by the state health plan – no union covers retirees.

"You can have promises made to you now, but the fact remains – S.B. No. 1044 is the answer to the existing Chapter 87. Let's not compare apples and oranges; let's compare what we are looking at. We are looking at the change to the existing structure.

"Someone raised the question, 'Gee, I don't know what figures to believe. We're getting all these different figures. How do we know whom to believe?' Mr. President, I know what I believe. I believe my good colleague from Manoa. I believe WAM's figures. I know what the cost increases are going to be.

"If we went with the administration's proposal, which was really the perpetuation of all of this, we are looking at healthcare increases to the base of 11 percent next year, a cumulative 11 percent which means 11 percent plus 11 percent in the second year of the biennium. That's a 22 percent increase. And the third year out, which is where these figures come out that I just said that we are committed to the retirees on, it's 11 percent, 11 percent, plus 15 percent. That's the skyrocketing cost. Almost 40 percent increase from where we start today, that is the cost.

"What WAM did was say, 'That's too much.' But you know what? We're not that much better off. It's 11 percent for next year. It's 11 percent, plus 7 percent for the following year. And we're hoping that in the third year out, it will be 11 percent, plus 7 percent, plus 7 percent. This is what we are contending with. This is the cost.

"We've heard the magical number of 400 million. My good colleagues who have taken strong positions on Felix have all said, 'The Felix expenses are ridiculous. We must audit. We should have a Legislative Investigative Committee on it.' You know what that figure is? Just about 400 million. Do you know what our figures are going to be altogether, including our employees' monies? It's going to be 408 million in fiscal year '02 and 436 million in fiscal year '03 – 400 million. Our biennium budget is 7.1 or 2 million, but the year budget is 3.7. This is more than 10 percent of our budget – more than 10 percent.

"Now, what does it mean, what does the health fund mean in terms of numbers? People must know. There are about 81,000 participants in the health fund – 49,000 are actives and 31,000 are retirees. Of the 31,000 who are retired, about 22,000 of them participate in Medicare. That means the differential is one that we fund 100 percent somewhere in that arena. Now what you should know is that as it now stands for this year, if you were to retire without Medicare you would have about \$810 to your benefit, and if you were a Medicare family, you would be \$586 and that's for this upcoming year. That's what we've appropriated. If you're active, the estimates are \$645.92, and if you're single it's \$223. What your unions receive if it's ported is \$134 for an individual and \$387 for a family.

"Now, this family thing is really an interesting point. People have said or you've heard other speakers say, 'You know, I don't see any evidence of why it's so detrimental, the porting, or how we can be treated negatively, or the state fund is somehow discriminated against.' This is the benefit plans, Hawaii public employees' health fund. Let me share with you one page . . . some of you may have had this nice poster that tells you what the costs are. For example, if you go to what

most people do, HMSA, if you're a member of the state health plan you will pay \$63.20 and the employer will contribute \$94.80. That's our share because that's a 60/40 issue. If you're in a certain one of these bargaining units, you pay \$22.90, and the employer pays \$135.10. Now that's not fabricated figures; that's what people are making their decisions on.

"As you know, the way porting works is that 60 percent of the most utilized plan is what determines the amount, not the most cost efficient plan, not the plan that meets all of these criteria, it's the most utilized plan, and that amount is ported out. We wonder why is it that the health fund premiums are so large. This is one section of this plan and it's very interesting, because you take the various amounts and they will tell you what your monthly contributions will be and they compare it to the health fund, and then they tell you whether it's beneficial for you to stay in their plan or to go to the health fund.

"This particular union trust has a scale of single, two-party, three-party, family of four-plus, and do you know that when you get to be a family of four-plus, there's a negative savings if you go into the union plan. So where would you go? You go to the state plan, which means the state plan then picks up all of these people. So their family plan really becomes utilized. If you're a two-party, you will save \$1,200 a year – \$100 a month if you go into this plan.

"All of these plans have it clearly laid out for you and, for most places, if you're a two-party, single two-party, you may save. In this particular plan you'll save \$849. A family of more than two will only save \$275.76 a month, then you're going to look at what the other provisions are. These are not numbers that we wonder what the credibility of them are because these are what we give our employees to make the decision.

"This concept of porting is a very interesting thing. It's a philosophical decision that we as a Legislature must make. The reason it's a philosophical decision is because the issue is when we decided on the 60/40, did we decide that it was 60/40 only for those employees who stay in the state health plan? Because they have to pay 40 percent. But it doesn't apply if you're in a union trust. If you're in a union trust, hey, it's whatever and wherever you fall, because they take the total amount and you then cherry pick the plan that you want. And if you don't use up all the money, guess what? It stays in the plan. It does not come back to the State. The real issue should be, is that what was intended or was this an issue of collective bargaining where if we said 60/40, was it intended that each and every one of our employees would be treated the same and they would pay the same amount for their health plan so that you're not penalized somehow if you're stuck in the state and you've got to buy from the state? That is the decision that we must make.

"How much money is ported? Let me tell you . . . one union gets 36.5 million, another gets 27.6 million, a third gets 10.7 million, a fourth 4.2 million – a total of \$80 million if ported every year for the health funds. That doesn't include the employee's part. And you know, Mr. President, that's another thing that bothers me – the employee's contribution. The employees may be upset with us, but the bottom line is they deserve the same kind of accountability that we want. We want to know what the money is used for. We want to know when the money goes out if it isn't used for that particular person, that money is returned so it can be used again. We want to know those things and I'm sure those employees want to know too. I'm sure they could use that extra money if they didn't have to pay 20 percent or 10 percent of the plan. I'm sure they're interested in that, but that information is not available to us.

"Mr. President, the estimate, and it may not be an estimate that everyone in here may want to rely on, but the estimate is,

and this is a single trust based primarily on a variety of factors, is about \$65 million that they anticipate saving. It could be more, it could be less, but that's savings that we would see with a single trust.

"We must look and we cannot ignore that Legislative Auditor's report that you've heard so much about, because she is our Auditor. We asked her to do that study and her recommendations were as set forth by the good Senator from Kauai, and we should pay heed to that.

"There were some points that were raised by previous speakers that I believe cannot go unanswered. One is a statement from the Senator from Nuuanu who said, 'You know, if you're going to have union representation, then the Governor shouldn't pick.' The reason why the Governor picks from a list of three names provided by the unions of the five union trustees is because it's constitutionally required. The Governor is the appointing agency. But we made it very clear that those are three names per position that the Governor must select from and he must replace those trustees by the same method.

"The other thing is that we have heard that the retirees are not part of this process. That is why one of the union trustees must be a retiree, because the retiree must have representation in making these decisions.

"The good Senator from Waimanalo is correct. He feels that this may not address all the problems the system has. He believes it's almost a systemic problem dating back to 1988 or whenever he was here before. Maybe he's right. But you know, that's no reason why we say now that we can't do anything about it, or because you believe it's a systemic problem, that nothing can happen. We must do something, and this is the first step in the changes that we must make.

"I am comfortable that the retirees will be protected, and I believe that the reason why we must move to this type of a fund is because if we don't, there may be no funds in the future. The costs are crazy. And those costs are not fabricated. They are estimates that my good Senator from Manoa has come up with and the Ways and Means staff have come up with. And if they're good enough to come up with the figures we need to estimate what it costs to run all of state government, then you know what, they're good enough to estimate what it costs to run the state health fund.

"Mr. President, it is for these reasons that I urge my colleagues to vote in favor of this measure. It is not a vote to take away. It is not a vote to diminish rights. It is not a vote that, as some people feel, threatens the retirees. It is quite to the contrary. It is our effort to preserve – preserve what we have promised the retirees into the future, preserve the health fund benefits – and we must do, we must do what is right and we must address this problem. We cannot stick our heads in the sand any longer and hope that it will go away. We just can't afford to do that.

"Thank you, Mr. President."

Senator Kanno rose to speak against the measure and said:

"Mr. President, I rise to speak against the measure.

"I'd like to focus on the concern about the retirees. I think if you put yourself in the shoes of a retiree, some of these individuals made the decision to work as a public employee with the expectation, and what they thought was a promise, that 100 percent of their retiree health benefits would be paid for by their employer. With this bill, for the very first time we are changing that.

"On page 25 of the bill, for the very first time the Legislature is putting a cash dollar limit on the amount that they're going to be contributing to retirees' health coverage plan. When asked how did these exact dollar figures get calculated, the director of budget and finance said that they took one figure and they inflated it 7 percent and they did it one more time, and that's how these figures were arrived at. It's really a guess of what the health fund costs will be in the year 2003 for retirees.

"Now, if you can imagine, these retirees believe that we had a commitment and we had a deal and they had the protection that their health fund benefits were going to be covered. The lawyers, however, tell us that there is no such commitment and the Legislature is free to change whatever they please. I, for one, will not support that kind of change and upset with the retirees' health fund plan.

"With the dollar figures provided, it very well may mean that a retiree who has a relationship with their physician will be told that 'you will no longer be able to see your doctor unless you pay an additional cost of what could be several hundred dollars a month.' What we've been told in our work with the health fund and working with individuals and people we know is that it's very upsetting for people to go through a change like this. It's very disruptive. People have a history with their physician.

"We are aware that the whole healthcare industry is changing to managed care and to these plans. People, in many cases, have the opportunity to choose into a plan like that for possible cost savings. For these retirees, for their entire lives when they were members of the health fund, they were given a choice of their physician, and for the very first time, from this legislation, they will be told otherwise – that for you, if you want to insist upon your physician, if your physician doesn't elect to become a part of a limited list plan, you could be forced to pay what could be several hundred dollars per month in order to remain with your physician, and all of the expectations that you had about your coverage, what you thought was a commitment from your employer for what could have been a career of 30 years or more with the State of Hawaii, is no longer valid.

"There is also no guarantee in the bill that these figures will be increased appropriately to cover increases in coming years. It does say that there are going to be adjustments made, but no one in this body can make a promise to retirees that these prices will be adjusted in future years to cover the cost. The expectation is that the figures here will cover the least expensive plan that someone can say that we're providing a basic plan to an individual, to a retiree. Where these individuals felt that they had a promise that they were going to have 100 percent of their health benefits covered, for the very first time the Legislature is saying, 'I'm sorry, there was no deal. There was no commitment. The lawyers are saying that there is no promise.' Where you thought there was a promise, where you may have dedicated your entire life of service to the State or the County, you're being told for the first time that what you thought was a deal was not really a deal.

"I'm not advocating for the status quo. There are many things that need to be corrected about our system. One thing that I would like to see in future discussions about the health fund is individuals, these retirees, that they have someone who's looking out for their interest, that they have someone who is able to stand up for them. In this process, this vote that is being taken today, the retirees didn't have someone here. They didn't have someone who had a draft ahead of time who could provide comments.

"None of the previous drafts had these dollar figures in it. Earlier this Session when the Senate passed this measure, all of

these figures were blanked out. If a retiree were to have called my office and say, 'How much money is going to be filled into the blank? How much money is going to be given to cover my health benefits? Isn't the State supposed to be covering 100 percent of my health fund costs?' I, myself, was a Conferee and I didn't see the draft until the final Conference meeting on Friday when we, for the very first time, saw these dollar figures. For all of Session, if a retiree were to ask or were to have called and asked, What would these figures have been? Nobody would have been able to have given them an answer. For the very first time, we saw these figures on Friday.

"For me, this is my major concern about the bill – that for the very first time there may be a retiree who may be 80 years old and that individual may have worked for the State of Hawaii for over 30 years, and for those 30 years they may have believed that there was a promise, a commitment, that upon retirement that their health fund benefits would be paid by their employer. At that time, way back then, some employees looked at this choice of whether they should work for the State or not and said, 'Well, maybe I will take this job and stay with this job even though the pay is less because there is this promise that I'm going to get my health fund benefits covered.' And now, that promise is no longer good.

"The lawyers basically say that there was really no promise. I guess if there were a lawyer there, the lawyer probably would have said there was never a promise made. But if you talk to the retirees out there, they really believe that there was a promise. They committed their lives to service for the State and the Counties with the understanding – the honest understanding – that they were going to have their health plans paid for upon retirement 100 percent. That was the practice up until this very day and it depends on this vote, and I urge my colleagues to vote 'no.'"

Senator Hogue rose in opposition to the measure as follows:

"Mr. President, I'm very impressed with all the speeches today. Obviously it's a very, very difficult decision that has to be made. I rise to speak in opposition to this bill.

"First off, I strongly support system reform, fiscal responsibility, the Legislative Auditor, and very tough choices. Yes, the union health funds need to be more open. All the unions need to follow the lead set admirably by the HSTA. All of them should be openly audited on a regular basis so that we may get answers to our many questions. Yes, I agree with keeping costs down. We must, to do that, have open competition and choice, and we must avoid a state-run monopoly.

"This bill puts a band-aid for some, a big bandage for others, on a wound that has festered here in the State of Hawaii for 40 years. The wound or problem is managing the collective bargaining process, and that's what got us here in the first place. We must do a better job governing.

"We must also look at the figures. Do we believe the Governor's figures? Do we believe the union reps? Do we believe the good Senator from Manoa? Do we believe the different insurance providers? We must get the right answers.

"The Senator from Kauai said it so eloquently – it is about the money. Healthcare costs are rising. Felix costs are rising. Budget costs are rising. Yes, the entire system is broken. However, I truly doubt that combining all the trusts into one huge state-run fund would fix this broken system. Let's face it, the State has had a very, very rough time proving that it can run anything well. Let's see . . . the Department of Education gave us Felix. The Department of Health gave us the

State Hospital. The Department of Public Safety gave us the prison. Do I have to give anymore examples?

"Mr. President, we need reform, systemic reform, porting reform. We also need openness. And we need a good audit. And we need answers – the right answers. But we also need choice. We need autonomy. We need decentralization, not centralization, and I will be voting 'no.'

"Thank you."

Senator Chun Oakland rose to speak in opposition to the measure and said:

"Mr. President, I also rise in opposition to this measure.

"There have been efforts to modify the state health fund over the years to give greater flexibility to the trustees to negotiate and design plans that would allow more health insurers to successfully compete to service the state health fund, and therefore increase the probability of lower bids and lower premiums. To date, those efforts have been stymied.

"In 1994, the public unions were given the opportunity and have taken it upon themselves to establish health funds that have met and are responsive to the needs of their members, provide a broader array of benefits to their members than the state health fund does with funds that are available, and achieve the lowest health insurance premium costs possible. The bill before us does not capitalize on some of these union health fund models that have been cost efficient and responsive to their members.

"I believe that we should look at an option that will value what is working well. The unions have come forward saying that they would like the responsibility to administer health funds for both active employees and retirees and are open to be accountable to their members and the State. I believe that we should work with all these parties who are willing to be active partners in coming up with a viable solution to address this issue.

"Thank you very much."

At 4:49 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 4:58 o'clock p.m.

Senator Taniguchi rose and said:

"Mr. President, would you have the Clerk note my strong reservations with this bill."

The Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 124 was adopted and S.B. No. 1044, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," having been read throughout, and Roll Call vote having been requested, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 13. Noes, 12 (Chumbley, Chun Oakland, Fukunaga, Hemmings, Hogue, Ige, Ihara, Kanno, Kawamoto, Matsunaga, Menor, Tam).

At 5:00 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:02 o'clock p.m.

At this time, the President made the following announcement:

"Members, we are on page 29 of the ordinary fiscal calendar. With the exception of S.B. No. 1044, all remaining measures will be deferred until Thursday, May 3, 2001."

At 5:03 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:08 o'clock p.m.

The President then made the following declaration:

"Since the members have so much energy, we will commence with our ordinary fiscal calendar on page 29."

FINAL READING

Conf. Com. Rep. No. 12 (S.B. No. 1236, H.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 12 be adopted and S.B. No. 1236, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chun Oakland.

Senators Slom, Hemmings and Hogue requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 12 was adopted and S.B. No. 1236, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

Conf. Com. Rep. No. 21 (S.B. No. 1011, S.D. 1, H.D. 1, C.D. 1):

Senator Inouye moved that Conf. Com. Rep. No. 21 be adopted and S.B. No. 1011, S.D. 1, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Kawamoto.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise in opposition. I'll be voting 'no.'

"It's another special fund bill. Thank you."

Senator Hemmings then requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 21 was adopted and S.B. No. 1011, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GEOGRAPHIC INFORMATION SYSTEMS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hogue, Slom).

Conf. Com. Rep. No. 38 (S.B. No. 224, S.D. 1, H.D. 2, C.D. 1):

Senator Buen moved that Conf. Com. Rep. No. 38 be adopted and S.B. No. 224, S.D. 1, H.D. 2, C.D. 1, having been

read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Hemmings requested his vote be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 38 was adopted and S.B. No. 224, S.D. 1, H.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PINEAPPLE RESEARCH,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 41 (S.B. No. 1435, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Inouye, seconded by Senator Tam and carried, Conf. Com. Rep. No. 41 was adopted and S.B. No. 1435, S.D. 1, H.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO HYDROGEN RESEARCH AND DEVELOPMENT,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 44 (S.B. No. 927, S.D. 1, H.D. 1, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Sakamoto and carried, Conf. Com. Rep. No. 44 was adopted and S.B. No. 927, S.D. 1, H.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO ADULT DAY HEALTH CARE CENTERS,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 45 (S.B. No. 493, S.D. 2, H.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 45 be adopted and S.B. No. 493, S.D. 2, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Hogue rose and said:

“Mr. President, I would like some comments I have inserted into the Journal, and I will vote with reservations. Thank you.”

“The Chair having so ordered, Senator Hogue’s remarks read as follows:

“Mr. President, I rise to speak with reservations.

“The intentions of this measure are commendable – privatize school repair and maintenance, reduce the paperwork and bureaucracy in the procurement process, circumvent the procurement process of DAGS and the DOE . . . and tax credits! Very nice tax credits for businesses.

“But, once we get past all that hoopla, there are a few surprises in this measure. A new fund is created. What kind of fund? We’re not really sure about that. It is, ‘a separate fund of Helping Hands Hawaii.’ The measure specifies that the fund, ‘shall not be placed in the state treasure, the state shall not administer the fund, nor shall the state be liable for the operation or solvency of the fund, Helping Hands Hawaii, or Hawaii 3Rs.’

“Okay. Then why does the measure enact scrupulous and comprehensive criteria, regulation, process, and reporting requirements for both the fund and the new program that it supports?

“Is the hand of the Legislature in this fund and program or not? Are we really trying to allow private contributions to the school repair and maintenance problem in as easy a manner as possible? No . . . the unintended consequence of this measure is to set up more bureaucracy . . . Mr. President, we need less bureaucracy, not more.

“NO! The unintended consequence of this measure is the creation of more bureaucracy for a school repair and maintenance system that needs streamlining.”

Senators Hemmings and Slom requested their votes be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 45 was adopted and S.B. No. 493, S.D. 2, H.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 46 (S.B. No. 1209, H.D. 1, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 46 be adopted and S.B. No. 1209, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Hemmings rose to speak against the measure and said:

“Mr. President, I rise to speak against this bill.

“The University of Hawaii wants autonomy and to determine their own future but they still want us to pay the bills when they screw up. Thank you.”

Senator Hogue rose in opposition and said:

“Mr. President, I also rise very quickly in opposition of this bill and have some comments that I would like inserted into the Journal which also echo the good Senator from Waimanalo. Thank you.”

The Chair having so ordered, Senator Hogue’s remarks read as follows:

“Mr. President, I speak in opposition to this measure.

“The title of this bill is ‘Claims Against the University of Hawaii.’ More appropriately, it should be called: ‘we love autonomy, but we hate paying the bills.’

“First off, I agree with the concept of autonomy, but this bill begs the question as to whether or not the university truly is in charge of itself. We need to establish that the university has to be accountable for the issues that arise in its domain, and we need to do whatever is in our power to support that.

“Then, and only then, will we have a truly autonomous and truly great university.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 46 was adopted and S.B. No. 1209, H.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO CLAIMS

AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 47 (S.B. No. 1211, S.D. 2, H.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 47 be adopted and S.B. No. 1211, S.D. 2, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chun Oakland.

Senator Slom rose to speak against the measure and stated:

"Mr. President, a 'no' vote. It establishes the Hawaii school level minor repairs and maintenance special fund. Thank you."

Senator Hemmings requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 47 was adopted and S.B. No. 1211, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Conf. Com. Rep. No. 48 (S.B. No. 1212, S.D. 1, H.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 48 be adopted and S.B. No. 1212, S.D. 1, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Slom rose in opposition to the measure and said:

"I'm voting 'no' on the bill, Mr. President.

"The bill really does not differentiate between the union and the standards board, and I think that we need standards but we need a clearer definition of who's going to be in charge and making the evaluations.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 48 was adopted and S.B. No. 1212, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

Conf. Com. Rep. No. 50 (S.B. No. 1362, S.D. 2, H.D. 1, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 50 be adopted and S.B. No. 1362, S.D. 2, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Hogue rose to support the measure and said:

"Mr. President, I enthusiastically support this bill. I'm so glad it is passing. Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 50 was adopted and S.B. No. 1362, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COACHES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 63 (H.B. No. 1111, H.D. 1, S.D. 2, C.D. 1):

Senator Matsuura moved that Conf. Com. Rep. No. 63 be adopted and H.B. No. 1111, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Hemmings rose to speak against the measure as follows:

"Mr. President, I rise to speak against this.

"According to our investigation, the total cost of this project divided by the number of potential 28 elderly or 28 medically fragile infants and children pencils out to about \$510,000 per person. Therefore I'll be voting 'no.'

"Thank you."

Senator Hogue rose and said:

"Mr. President, please have the comments from the Senator from Waimanalo inserted as if they were mine. I will also be voting 'no.' Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 63 was adopted and H.B. No. 1111, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR AN INTERGENERATIONAL CARE CENTER AT EWA VILLAGES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 64 (H.B. No. 77, H.D. 1, S.D. 1, C.D. 1):

On motion by Senator Kawamoto, seconded by Senator Taniguchi and carried, Conf. Com. Rep. No. 64 was adopted and H.B. No. 77, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 94 (H.B. No. 284, H.D. 1, S.D. 2, C.D. 1):

Senator Matsuura moved that Conf. Com. Rep. No. 94 be adopted and H.B. No. 284, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Hemmings rose to speak against the measure and stated:

"Mr. President, I rise to speak against this bill.

"It employs more employees into the public system. We should have more autonomy and more ability to shift our

resources around. The public healthcare system has a negative cash flow and this is one of the reasons.

“Thank you, Mr. President.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 94 was adopted and H.B. No. 284, H.D. 1, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO HEALTH,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

Conf. Com. Rep. No. 97 (H.B. No. 1233, H.D. 1, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 97 was adopted and H.B. No. 1233, H.D. 1, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO YOUTH SERVICES,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

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

Conf. Com. Rep. No. 99 (H.B. No. 1667, H.D. 2, S.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 99 and H.B. No. 1667, H.D. 2, S.D. 1, C.D. 1, was deferred to the end of the calendar.

Conf. Com. Rep. No. 101 (H.B. No. 862, H.D. 1, S.D. 2, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 101 be adopted and H.B. No. 862, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom rose in opposition to the measure and said:

“Mr. President, please cast a ‘no’ vote. Again, we are creating extra State positions.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 101 was adopted and H.B. No. 862, H.D. 1, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE ESTABLISHMENT OF SOCIAL WORKER POSITIONS,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

Conf. Com. Rep. No. 102 (H.B. No. 840, H.D. 2, S.D. 1, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 102 be adopted and H.B. No. 840, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Matsuura.

Senator Hogue rose to speak in opposition to the measure and stated:

“Mr. President, I rise in opposition to this bill.

“This is setting up a data system at the University of Hawaii by doing something that frankly the Department of Health should already be doing.

“I’ll be voting ‘no.’ Thank you.”

The motion was put by the Chair and carried, Conf. Com. Rep. No. 102 was adopted and H.B. No. 840, H.D. 2, S.D. 1, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 104 (H.B. No. 480, H.D. 1, S.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 104 be adopted and H.B. No. 480, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chun Oakland.

Senator Slom rose in support of the measure with reservations and stated:

“Mr. President, I support this bill with reservations.

“We have of course supported the concept of business specialists for the schools. We think they’re needed. But also included are additional business specialist positions included in S.B. No. 1577. In this bill here we are putting the business specialist into a union which doesn’t make sense at all.

“If you want a business specialist, they should be doing business and not union work. Thank you.”

Senator Hemmings requested his vote be cast “aye, with reservations,” and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 104 was adopted and H.B. No. 480, H.D. 1, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BUSINESS SPECIALIST POSITIONS,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 110 (H.B. No. 632, H.D. 3, S.D. 2, C.D. 1):

On motion by Senator Matsuura, seconded by Senator Hanabusa and carried, Conf. Com. Rep. No. 110 was adopted and H.B. No. 632, H.D. 3, S.D. 2, C.D. 1, entitled: “A BILL FOR AN ACT RELATING TO HUMAN SERVICES,” having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 111 (H.B. No. 186, S.D. 1, C.D. 1):

Senator Hanabusa moved that Conf. Com. Rep. No. 111 be adopted and H.B. No. 186, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Chun.

Senator Slom rose in opposition to the measure as follows:

“Mr. President, I rise to speak in opposition to the bill.

“It’s been estimated by the Auditor that it’s going to cost \$18.5 million to complete a system to find out how many lands the State controls and at what cost. I think it’s a tremendous

cost to find out what we have. We don't even know how many employees we have; now we don't know how much land we control.

"Thank you."

Senator Hemmings then requested his vote be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 111 was adopted and H.B. No. 186, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Slom).

Conf. Com. Rep. No. 112 (H.B. No. 860, H.D. 1, S.D. 2, C.D. 1):

Senator Kawamoto moved that Conf. Com. Rep. No. 112 be adopted and H.B. No. 860, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Nakata.

Senator Kawamoto rose and said:

"Mr. President, first of all I'd like to apologize to the Senator from Waimanalo. We were trying to get a meeting of the Conference Committee and he was told by the House of Representatives that the bill was dead."

The President interjected:

"Senator Kawamoto, for what purpose do you rise?"

Senator Kawamoto replied and continued:

"I rise to speak in favor of this bill.

"He then left and he was a diligent member of this Committee. Every time we had a meeting he was there. I knew he wanted to vote 'aye' on this bill but somehow he left and went home. Thanks to you, we resurrected this bill, we got the Speaker to sign the waiver, and we came back. The Senator from Waimanalo, I'm sorry you couldn't vote, but I'm sure you can vote now. This is a bipartisan bill.

"We questioned the unfunded liability at the 90 percent factor and they dropped it to 55 percent. We questioned that and finally we decided that we're not going to fund unfunded liability from the general fund. We just passed the bill and we hope the Governor will do the right thing and pass this bill on.

"I urge all my colleagues to vote 'aye' on this bill. Thank you."

Senator Hemmings rose to speak in favor of the measure also and said:

"Mr. President, I rise to speak in favor of this bill.

"Thank you, Mr. President, for making this possible by amending the Rules to allow us to have a late Conference on it. Thank you to the Chairman of the Committee for working in a bipartisan manner.

"This has a lot more to do with than money, it has to do with justice. I'm sure out of the \$9.3 billion in the RS system they can take care of the needs of a dying breed of Americans.

"Thank you, Mr. President."

Senator Buen rose to speak in favor of the measure and said:

"Mr. President, I rise in favor of this bill.

"I want to thank the Chair of the Committee. The Senator from Waipahu worked so hard on this measure. On behalf of all the veterans from Maui who came over and sat at all the Conference Committees, and called every one of you everyday, on behalf of all of them, thank you for bringing this bill this far.

"I ask all of you to vote in favor of this bill. Thank you."

Senator English rose to speak in favor of the measure also and said:

"Mr. President, I rise in favor of this bill.

"Mr. President, I really have to commend the Chair of this Committee and also the veterans, especially from Maui, because we had some people who came from Maui and really lobbied hard. I can say lobbied the old fashioned way – they came in, they sat down with you and explained their situation, and asked for you to make the right choice on it.

"So members, I'm very grateful on behalf of the veterans of Maui and all the veterans of the State of Hawaii for your help in correcting this and creating equality for them. So with that, Mr. President, I urge everyone to vote in support of this measure.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 112 was adopted and H.B. No. 860, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 113 (H.B. No. 533, H.D. 2, S.D. 1, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 113 be adopted and H.B. No. 533, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senators Slom, Hogue and Hemmings requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 113 was adopted and H.B. No. 533, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 114 (H.B. No. 152, H.D. 1, S.D. 2, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 114 be adopted and H.B. No. 152, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

At 5:24 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:27 o'clock p.m.

Senator Kanno rose in support of the measure and stated:

"Mr. President, I rise to speak in support of the measure.

"This measure includes an appropriation for domestic violence programs. The conference committee report states that the appropriation is for domestic violence shelters. The intent of the conference managers, as stated in the bill, is that the appropriation is for domestic violence programs and not domestic violence shelters.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 114 was adopted and H.B. No. 152, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 118 (H.B. No. 168, H.D. 1, S.D. 2, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 118 be adopted and H.B. No. 168, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom rose to speak against the measure as follows:

"Mr. President, we've got to vote 'no' on this bill.

"For goodness sakes, we've been trying to get an automatic recount bill for years and years and years. We started out with an automatic recount in this bill and now all we've got is a taskforce. So when the Senator from Maui/Kauai/Nihau is only 60 votes apart, he can't have an automatic recount but he can call for the taskforce.

"Vote 'no,' \$100,000 for a taskforce – NO!"

The motion was put by the Chair and carried, Conf. Com. Rep. No. 118 was adopted and H.B. No. 168, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 119 (H.B. No. 513, H.D. 1, S.D. 2, C.D. 1):

Senator Kanno moved that Conf. Com. Rep. No. 119 be adopted and H.B. No. 513, H.D. 1, S.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senators Slom and Hemmings requested their votes be cast "aye, with reservations," and the Chair so ordered.

The motion was put by the Chair and carried, Conf. Com. Rep. No. 119 was adopted and H.B. No. 513, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 120 (H.B. No. 596, H.D. 2, S.D. 1, C.D. 1):

Senator Menor moved that Conf. Com. Rep. No. 120 be adopted and H.B. No. 596, H.D. 2, S.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Hogue rose to speak in opposition to the measure and said:

"Mr. President, I rise to speak in opposition to this bill, the Hawaii Hurricane Relief Fund.

"I've checked it out and don't understand why it is that we are just continuing to build it up, build it up, build it up, build it up, if not for the purpose of eventually raiding the fund. Because if you talk to the folks at HHRF they will tell you that we really only need between \$50 million to \$100 million to restart the fund in case of a hurricane. Federal dollars will kick in after that, so why are we building it up? I think you know the answer.

"I'll be voting 'no.' Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 120 was adopted and H.B. No. 596, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HURRICANE RELIEF FUND," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 3 (Hemmings, Hogue, Slom).

Conf. Com. Rep. No. 121 (S.B. No. 1577, S.D. 2, H.D. 2, C.D. 1):

Senator Sakamoto moved that Conf. Com. Rep. No. 121 be adopted and S.B. No. 1577, S.D. 2, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Taniguchi.

Senator Slom rose to speak against the measure as follows:

"Mr. President, I rise to speak against this bill.

"I am all for the school facilities. I am all for the repairs and maintenance. It looks like, Mr. President, I've finally made it – I joined the ranks of Frank Fasi who had a legislative bill passed for him. Because now this bill, which started out talking about a special fund, has removed all references to the special fund and now we call it a special account. So it's a 'special account.' But a special account, you know Mr. President, is still the same as a special fund and I vote 'no'!

"Thank you, Mr. President."

Senator Hemmings also rose to speak against the measure as follows:

"Mr. President, I rise to speak against the bill.

"I don't know if I can be as eloquent as the previous speaker in speaking against this bill, Mr. President, but I believe that what we really need is to change our procurement laws, and most especially change the way DAGS does business.

"This is just building bureaucracy and starting new funds when we really need systemic reform for the way DAGS conducts business. We all know the teachers and the principals in the individual schools can get the work done twice as fast at half the cost, and this doesn't address that issue at all. It just adds another layer of bureaucracy and foot-dragging and special funds to the process.

"Therefore, I'm voting 'no.' Thank you."

Senator Sakamoto rose in support of the measure and said:

"Mr. President, I rise in support of the measure.

"I have some comments I want to insert in the Journal but let me clarify some of the issues.

"Certainly this bill is a follow-up from the previous WAM Chair's good effort last year and the Education Chair's effort last year on how do we help fix the schools. So this measure doesn't add another layer, but does indeed reduce bureaucracy.

"This measure helps for projects under \$100,000 not to have to go through all of the formalities done under the existing system but certainly would fix the schools faster for those size projects. This does enable the principals and vice principals to have assistance of the business and fiscal officers and help fix the schools. This bill does do a lot to help fix the schools with other bills.

"Not to belabor the point, Mr. President, this is a product of several years of hard work and indeed these will help fix the schools faster. I applaud everybody for their effort in this measure."

The Chair having so ordered, Senator Sakamoto's additional remarks read as follows:

"Mr. President, I rise in support of this measure. It provides the framework to fulfill our commitment to address the \$600 million backlog of public school repairs.

"Your Committees have worked to develop a system that assures appropriate allocation of these funds, a fair and equitable system of prioritization of projects and an ongoing maintenance program that assures timely repairs to prevent secondary damage and wholesale deterioration of our school facilities . . . facilities that represent an investment of over \$1.7 billion.

"During the 2000 Legislative Session, DAGS and the DOE estimated that Hawaii faced a \$240 million backlog in public school repair and maintenance. After a thorough review over the interim, the revised estimate exceeded \$600 million.

"In response to the growing backlog, the Senate Education and Ways and Means Committees established the WAM/EDU working group to work with industry stakeholders to develop long range solutions. The group met with DAGS and DOE staff, school staff, parents, students, industry and trade organizations, reviewed current and proposed policies and procedures and researched past studies and reports.

"These efforts have resulted in S.B. No. 1577, S.B. No. 493, and S.B. No. 1211. Together these bills provide a comprehensive approach to school R&M and emphasize systemic improvements that require planned long-term funding. It assures that the backlog will be eliminated over a ten-year period and funds ongoing maintenance to prevent future backlogs.

"These measures, which were strongly supported by the stakeholders, provide opportunities for the community to contribute to and become a part of the process. I ask for your support as well."

Senator Kawamoto rose to speak in favor of the measure and said:

"Mr. President, I rise to speak in favor of this bill.

"Mr. President, sticking to one subject for a long time has been my forte. I'd like to say that after 6 years of addressing the fiscal manager or business manager as we may call it, this bill creates a token of fiscal managers. We hope someday that we can get them in all the high schools.

"We appreciate the Chair of Education for plugging in and helping us with this bill. Thank you very much."

Senator Hogue rose in support of the measure with reservations and stated:

"Mr. President, I rise to speak in favor of this bill with some reservations.

"First of all, some of the items that we had in our Minority Caucus education draft at the beginning of this Session are in this bill. We wanted to address the \$630 million backlog of repair and maintenance. We wanted to get some fiscal managers in there.

"But we must go much further. We really need some procurement reform, systemic reform. We must give autonomy to the principals. We must go further.

"This is a step, a tiny step, in the right direction. Thank you."

Senator Sakamoto rose again and said:

"Mr. President, I think I need some clarification.

"On getting more money to the principals, currently the law limits that to \$8,000 per school. This measure lifts that limit, not saying funding it fully, but lifts that limit to \$25,000 per school. So, some of the objections we have attempted to correct.

"Certainly raising the limit to \$100,000 to avoid some of the procurement hassle goes a long way. Most of the projects are under \$100,000 for repair and maintenance. I think some of those comments may indeed be comments, but the bill does address those concerns."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 121 was adopted and S.B. No. 1577, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

Conf. Com. Rep. No. 125 (S.B. No. 1535, S.D. 2, H.D. 1, C.D. 1):

Senator Matsuura moved that Conf. Com. Rep. No. 125 be adopted and S.B. No. 1535, S.D. 2, H.D. 1, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Hanabusa.

Senator Slom rose in opposition to the measure and said:

"Mr. President, I rise in opposition to the bill.

"The bill is about volunteerism. Volunteerism does not need government programs or government organization, yet this bill creates the Hawaii Commission for National and Community Service within the Department of Labor and Industrial Relations. If that's not bad enough, we already have an office of volunteerism within the Office of the Governor of the State of Hawaii.

"We don't need more offices and we don't need more staff. Volunteers are great because they volunteer and they do things on their own.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 125 was adopted and S.B. No. 1535, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

Conf. Com. Rep. No. 132 (S.B. No. 1030, S.D. 2, H.D. 2, C.D. 1):

Senator Inouye moved that Conf. Com. Rep. No. 132 be adopted and S.B. No. 1030, S.D. 2, H.D. 2, C.D. 1, having been read throughout, pass Final Reading, seconded by Senator Tam.

Senator Slom rose in opposition to the measure and said:

"Mr. President, a 'no' vote for me. It creates another special fund.

"Thank you."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 132 was adopted and S.B. No. 1030, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Hemmings, Slom).

At 5:36 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:38 o'clock p.m.

The President made the following announcement:

"Members, the remaining business on the Order of the Day will be deferred until Thursday, May 3, 2001."

Conf. Com. Rep. No. 134 (S.B. No. 530, S.D. 2, H.D. 2, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 134 and S.B. No. 530, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL ADMINISTRATORS," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 138 (S.B. No. 704, S.D. 1, H.D. 2, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 138 and S.B. No. 704, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 140 (S.B. No. 1058, S.D. 1, H.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 140 and S.B. No. 1058, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 141 (S.B. No. 992, S.D. 2, H.D. 2, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 141 and S.B. No. 992, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 146 (S.B. No. 1382, H.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 146 and S.B. No. 1382, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 147 (S.B. No. 1115, S.D. 1, H.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 147 and S.B. No. 1115, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN RESOURCES," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 150 (S.B. No. 838, S.D. 2, H.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 150 and S.B. No. 838, S.D. 2, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HURRICANE RELIEF FUND," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 152 (H.B. No. 1000, H.D. 1, S.D. 2, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 152 and H.B. No. 1000, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 153 (H.B. No. 1100, H.D. 1, S.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 153 and H.B. No. 1100, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 154 (H.B. No. 1400, S.D. 1, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 154 and H.B. No. 1400, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 158 (H.B. No. 1561, H.D. 2, S.D. 1, C.D. 1);

By unanimous consent, action on Conf. Com. Rep. No. 158 and H.B. No. 1561, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 161 (H.B. No. 432, H.D. 2, S.D. 2, C.D. 1);

By unanimous consent, action on Conf. Com. Rep. No. 161 and H.B. No. 432, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE MILLENNIUM WORKFORCE DEVELOPMENT PROGRAM," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 162 (H.B. No. 1662, H.D. 1, S.D. 2, C.D. 1);

By unanimous consent, action on Conf. Com. Rep. No. 162 and H.B. No. 1662, H.D. 1, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION," was deferred until Thursday, May 3, 2001.

Conf. Com. Rep. No. 173 (S.B. No. 1028, S.D. 2, H.D. 2, C.D. 1);

By unanimous consent, action on Conf. Com. Rep. No. 173 and S.B. No. 1028, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY DEVELOPMENT DISTRICTS," was deferred until Thursday, May 3, 2001.

S.B. No. 716, S.D. 2, H.D. 1:

By unanimous consent, action on S.B. No. 716, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," was deferred until Thursday, May 3, 2001.

S.B. No. 1473, S.D. 2, H.D. 1:

By unanimous consent, action on S.B. No. 1473, S.D. 2, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNING," was deferred until Thursday, May 3, 2001.

THIRD READING

MATTERS DEFERRED FROM WEDNESDAY, APRIL 25, 2001

Stand. Com. Rep. No. 1736 (H.B. No. 647, H.D. 2):

By unanimous consent, action on Stand. Com. Rep. No. 1736 and H.B. No. 647, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE DISABILITY AND COMMUNICATION ACCESS BOARD," was deferred until Thursday, May 3, 2001.

Stand. Com. Rep. No. 1739 (H.B. No. 708):

By unanimous consent, action on Stand. Com. Rep. No. 1739 and H.B. No. 708, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," was deferred until Thursday, May 3, 2001.

ADVISE AND CONSENT

MATTER DEFERRED FROM EARLIER ON THE CALENDAR

Stand. Com. Rep. No. 1810 (Gov. Msg. No. 178):

By unanimous consent, action on Stand. Com. Rep. No. 1810 and Gov. Msg. No. 178 was deferred until Thursday, May 3, 2001.

FINAL READING

MATTER DEFERRED FROM EARLIER ON THE CALENDAR

Conf. Com. Rep. No. 99 (H.B. No. 1667, H.D. 2, S.D. 1, C.D. 1);

By unanimous consent, action on Conf. Com. Rep. No. 99 and H.B. No. 1667, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STUDENT LOANS FOR TEACHERS," was deferred until Thursday, May 3, 2001.

At 5:39 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 5:42 o'clock p.m.

ADJOURNMENT

At 5:43 o'clock p.m., on motion by Senator English, seconded by Senator Hemmings and carried, the Senate adjourned until 10:00 o'clock a.m., Thursday, May 3, 2001.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate